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ROYAL COMMISSION

THE TEXTILE INDUSTRY

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REPORT
OF THE
ROYAL COMMISSION
ON
THE TEXTILE INDUSTRY



OTTAWA
J. O. PATENAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
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ROYAL COMMISSION ON THE TEXTILE INDUSTRY

HON. MR. JUSTICE W. F. A. TURGEON,
Commissioner.


A. S. WHITELEY, Esq.,
Secretary.

R. RENÉ DE COTRET, Esq.,
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January 20, 1938.

The Hon. C. A. DUNNING,
Minister of Finance,
Ottawa.

DEAR SIR,—I have the honour to hand you herewith the report of the Royal Commission on the Textile Industry, pursuant to the Order in Council of 27th January, 1936, P.C. 223, a copy of which is attached hereto.

Your obedient servant,

W. F. A. TURGEON,
Commissioner.

P.C. 223

CERTIFIED to be a true copy of a Minute of a meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 27th January, 1936.

The Committee of the Privy Council have had before them a report, dated 24th January, 1936, from the Minister of Finance, stating as follows:—

On the 18th instant the following telegram, dated at Sherbrooke, Quebec, January the 18th, 1936, and signed by Ant. Deslauriers, City Clerk, on behalf of the City Council of the City of Sherbrooke, was received by the Right Honourable the Prime Minister, and the Honourable the Minister of Finance:—

"Special emergency meeting City Council held today strongly ask that your Government intervene immediately over the situation that has developed whereby our largest flat silk industries employing over a thousand hands has suddenly closed down leaving these people without employment STOP. Our City unable to cope with alarming situation and request your Government take immediate steps to remedy this condition STOP. City cannot take care of such increased unemployment."

Also on the same date representations appeared in the press to the effect that according to word received from Sherbrooke uncertainty in the textile market, due in large part to Japanese competition in certain artificial silks, had forced the Dominion Textile Company to close its rayon plant at Sherbrooke, Quebec, and that the plant closed down would remain inactive until the present situation in the industry had been clarified. The *Montreal Gazette* of January 18, also contains the following relative to the foregoing representations:—

"G. Blair Gordon, President of the Dominion Textiles, who is in the United States at present, last night confirmed the report in reply to a telegraph query. His message added 'Hope to reopen when we can see possibility of manufacturing goods which can be sold.'"

Upon receipt of the telegrams from the City Council of Sherbrooke, an officer of the Department of Labour was immediately sent to Sherbrooke to report to the Government upon the existing conditions. The report received by the Government evidences the necessity, if the request of the City Council of Sherbrooke is to be met and the present situation in the industry clarified, for investigation much more searching and extensive than is possible at the present time either by officials of any of the Government Departments or by the Tariff Board, and that it can most effectively be made by the appointment of a Royal Commission, clothed with powers to make the inquiry as searching and extensive as may be necessary.

The Minister observes that the sudden cessation of operations in industrial establishments, especially in the winter season, at a time of widespread unemployment cannot fail to render more acute the distress and suffering of wage earners and their dependents, and also places upon municipalities and governments additional and unexpected financial burdens for relief. He is further of the opinion that industry generally and especially an industry which has had for years the benefit of the protection afforded by the customs tariff, should recognize its responsibility to carry on operations with due regard to its obligations to employees and to the public and not to arbitrarily shut down its plants.

The Minister further observes that in order to determine the responsibility of employers and to enable appropriate action to be taken, not only with regard to safeguarding the interests of employees and of the public, but also the industry itself, it is essential for the Government to be fully advised with respect to all matters surrounding the operations and conduct of the industries immediately concerned and inter-related and allied industries;

That in this connection it is essential that full and complete information be available to the Government covering a period of years with respect to costs, profits, wages, salaries and bonuses, tariff protection, investment, volume of production and all other matters and things which together with information already available to the Government will enable sound conclusions to be reached regarding the position of this and other branches of the textile industry in relation to British and foreign competition, and in particular, the extent to which the employer can reasonably and properly be expected to maintain employment over periods of temporary difficulty.

The Minister recommends that for the purpose of making the said inquiry and examination, including the causes of the existing or any other such sudden cessation of industrial operations as may be referred to him, the Honourable W. F. A. Turgeon, of the Court of Appeal of Saskatchewan, be constituted a Royal Commissioner, under Part I of the Inquiries Act, Chapter 99 of the Revised Statutes of Canada, 1927, for the purpose of making such inquiry and examination, and that such Commissioner have the special authority specified under Part 3 of the said Act.

The Minister further recommends that the Commissioner be instructed to make his report as speedily as possible.

The Committee concur in the foregoing recommendations and submit the same for approval.

(Signed) E. J. LEMAIRE,
Clerk of the Privy Council.

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CHAPTER I

INTRODUCTION

By an order of the Privy Council issued under the authority of The Inquiries Act and approved by His Excellency the Governor General on January 27, 1936, I was appointed and instructed to inquire into and to report upon certain matters pertaining to the textile industry in Canada.

As will appear from a perusal of the Order in Council, the subject-matter of the inquiry is of a far-reaching character and, in some of its aspects, quite definitely controversial. Opportunity was therefore given to various interests concerned in the issues raised to be represented before me by Counsel. In addition I was provided with the services of Counsel assisting me as Commissioner. A great number of witnesses appeared before me. Where expert evidence was required, efficient professional men of long experience gave me the benefit of their knowledge and of their researches. So, I have had the great advantage of hearing an exposition of all the facts relative to the matters inquired into, as well as an able presentation of the views of all those affected in one way or another by the investigation.

The following counsel took part in the proceedings:

J. C. McRuer, K.C., and E. Beauregard, K.C., Commission Counsel.

J. P. Lanctôt, K.C., for Special Committee of Primary Textile Industry.

R. L. Kellock, K.C., for Special Committee of Primary Textile Industry and Primary Textiles Institute.

Aimé Geoffrion, K.C., Dominion Textile Co. Ltd.

C. G. Heward, K.C., and C. T. Ballantyne, Dominion Textile Co. Ltd. and Montreal Cottons Ltd.

G. A. Campbell, K.C., and A. S. Bruneau, K.C., Canadian Cottons Limited.

F. Lajoie, K.C., Wabasso Cotton Company Ltd.

S. G. Dixon, K.C., Courtaulds (Canada) Ltd.

L. A. Forsyth, K.C., Canadian Celanese Ltd.

Thos. Tremblay, M. E. Binz Company Ltd.

Maxime Raymond, K.C., M.P., Catholic Labour Association of the City of Valleyfield.

Hormidas Gariépy, Local Union No. 2467 of Three Rivers, Que., United Textile Workers of America.

Phillippe Rousseau, Town of Montmagny.

Public sittings were held in the following cities and towns in Canada: Sherbrooke, Three Rivers, Montreal, Quebec, Montmagny, Louiseville, Valleyfield, Toronto, Dunnville, St. Catharines, Paris, Cornwall, Ottawa.

Material essential to a proper treatment of some of the matters covered by the commission was also obtained in Great Britain and in the United States of America.

OBJECT AND SCOPE OF THE INVESTIGATION

It may be said briefly that the intention of the Order in Council was to cause a thorough inquiry to be made into all phases of the textile industry in order to make available:

(1) an historical review of the industry to date; (2) an analysis of its present position; (3) a study of its interests and its duties; and (4) such further information, as added to that already available, would assist the Government of Canada in reaching proper conclusions upon questions affecting the industry, and its employees, and the public. A more detailed statement of these objects will be found at a later page of the first part of my report.

JAPANESE COMPETITION AND THE CLOSING OF THE DOMINION TEXTILE RAYON MILL AT SHERBROOKE

It appears from the Order in Council that the incident which gave rise to this inquiry was the closing by the Dominion Textile Company of its rayon mill at Sherbrooke and the consequent laying-off of a large number of employees. This action threatened to place upon the City of Sherbrooke and upon government bodies "additional and unexpected financial burdens for relief," (as the Order in Council says), and was made more serious by the fact that it occurred "in the winter season, at a time of widespread unemployment," and "could not therefore fail to render more acute the distress and suffering of wage-earners and their dependents."

I shall now recite the facts, as I find them upon the evidence, relating to the closing of the Sherbrooke mill on January 17, 1936, and its re-opening on January 29th. This will necessitate, among other things, a cursory review of some of Canada's customs tariff history and international trade history, particularly with Japan, during the years 1935 and 1936.

Between the years 1922 and 1935 inclusive, (ending on March 31st of the latter year), Canada's exportations to Japan amounted to \$325,128,460, while her importations from that country, including all raw silk imported from the United States and which may be presumed to have been of Japanese origin, reached the sum of \$166,509,040. The portion of this last figure accounted for by these raw silk importations is \$52,191,070. This leaves an export balance in Canada's favour of \$158,619,420. The high point of our trade with Japan was reached in the fiscal year 1928-1929 when our exports amounted to \$42,099,968 and our imports, including raw silk coming in from the United States, amounted to \$17,453,104. I may add that during that year our trade with Japan represented 3·09 per cent of our total export trade.

At the end of the fiscal year 1934-35 (March 31, 1935), the last year of the 1922-1935 period, Canada's exports to Japan amounted to \$16,935,869, while her direct imports from that country were valued at \$4,424,654. Adding to this latter figure the whole of our raw silk importations from the United States on the assumption that all this material was of Japanese origin, the total importations reached the sum of \$8,088,715. This still left a proportionately large balance of trade in favour of Canada.

This being the state of trade between Canada and Japan in 1935, the latter country made representations to the Canadian Government in the first six months of that year with the object of obtaining a more favourable trading position. Japan's objections to the treatment it was receiving from Canada had particular reference to the imposition of what was known as the "currency dumping duty" and the fixed valuation for duty purposes provided by Order in Council under the provisions of Section 43 of the Customs Act as amended by legislation assented to on September 22, 1930. These two grounds of complaint will require a brief explanation at this point.

The par value of the Japanese yen in cents, when both the dollar and the yen are at their gold parity, is 49·85 cents. The dollar began to depreciate in September, 1931, and the average value of the yen for the month of December was 53·54 cents. But after that time the situation changed. The yen went downwards more rapidly, and further than the dollar in respect to gold, and its relation to the dollar at half yearly periods from January, 1932, to November, 1937, was as follows:—

AVERAGE EXCHANGE QUOTATIONS OF JAPANESE YEN IN MONTREAL

(Par of exchange—49·85 cents)

	Cents
January, 1932..	42·90
July, 1932..	31·75
January, 1933..	23·96
July, 1933..	30·93
January, 1934..	30·46
July 1934..	29·59
January 1935..	28·53
July, 1935..	29·28
January, 1936..	29·01
July, 1936..	29·35
January, 1937..	28·55
July, 1937..	28·92
November, 1937..	29·07

As it declined in respect to the dollar, the yen became affected by the currency dumping rule, then imposed by Order in Council, but now authorized by section 6 ss. 9a of the Customs Tariff Act as amended retroactively in 1933. This began about the end of December, 1931, the yen having fallen below its dollar parity at that time and remaining in that position, as the above table shows, ever since. This currency dumping rule does two things: it places a value on the yen for assessment purposes in excess of its actual exchange value; and then it adds the difference between these two values to the duties collected. Also, beginning on December 12, 1931, a minimum fixed valuation of \$1.25 per pound was placed upon all imported artificial silk fabrics, under the authority given the Government by section 43 of the Customs Act. This meant that the duty was levied on the actual value of the goods if this value exceeded \$1.25 per pound, but was levied on an arbitrary value of \$1.25 if the actual value was less than this figure. Thus, for instance, an article the real value of which was 25 cents a pound or 70 cents a pound, (to mention two figures submitted to me), would be assessed on a valuation of \$1.25, but an article of the real value of \$1.50, having regard to the proclaimed rate of exchange, would be assessed at \$1.50.

In a later chapter of this report will be found a more extended reference to the nature and the operation of the currency dumping rule and of the provisions of section 43. For the purposes of the subject I am now dealing with, the above brief explanation will suffice.

In order to illustrate the effect of the Customs Tariff on artificial silk goods at the time the Japanese Government drew the attention of the Government of Canada to what it considered to be an unsatisfactory situation, I here set out, as an example, the treatment which would have been accorded a certain piece of 27-inch brocaded rayon taffeta of 1,000 yards, weighing 109·4 lbs. and invoiced at 144·3 yen, filed as part of exhibit 868, if it had been imported in 1935, before the month of August, and its laid down cost in Canada, assuming that Japanese prices and the current rate of exchange were the same. This article was in fact imported in July, 1936, and I shall have occasion to refer to it again.

	Prior to August, 1935 Value for Duty Based on Minimum of \$1.25 per Pound
Invoice value of fabric and packing	\$ 43 60
Value for duty	136 75
Duty ad valorem—40 per cent less 10 per cent	49 23
Specific duty—40 cents per pound	43 76
Packing—¥ 4·5—20 per cent less 10 per cent..	40
Excise tax—3 per cent	6 90
Dumping duty (under Sec. 6 (1))	68 37
Currency dumping duty .. . . . .	.....
Total duties and excise	168 66
Freight and insurance..	5 07
Laid down cost of fabric	<u>\$217 33</u>

These total duties and excise of \$168.66 represent a tax of 386 $\frac{1}{2}$ per cent on the invoice value of \$43.60.

It will be noticed that there is no specific charge in the above illustration for currency dumping. This is explainable by the fact that the goods being invoiced at less than \$1.25 per pound would have been assessed at that higher figure, in which case the currency dumping rule did not apply, probably because the fixed valuation of \$1.25 affected importations from all countries, other than those entitled to the British Preferential Tariff, including those countries whose currency was not depreciated, as, for example, the Netherlands. The only dumping duty assessed upon goods subject to the fixed valuation was what might be called the "fair market value" dumping duty provided for by section 6 (1) of the Customs Tariff Act. The point illustrated in the above example is that, while the real value of the goods was only about 40 cents a pound, they were assessed at a value of \$1.25 under the fixed valuation rule.

It should be pointed out here that the protests of the Japanese Government were of a general character and not confined to textiles. The great bulk of Japanese artificial silk importations were of a value under \$1.25 a pound and subject to the fixed valuation rule and not to the currency dumping charge. But this currency dumping charge affected all goods, of a class or kind made in Canada, coming in from Japan and not subject to the fixed valuation. Our principal articles of importation from Japan in 1934 and the first half of 1935 were: oranges, rice, raw silk, china tableware, tea, toys and dolls, fishery products, manufactured articles of real silk, and containers.

Japan's complaint was that all her exportations to Canada of a class or kind made in Canada were affected by either the fixed valuation or the currency dumping duty. Her representations were first made in March, 1935, and negotiations were continued until about the middle of July.

In July, the Canadian Government proposed to better Japan's trading position by offering two concessions: (1) providing that goods of a class or kind not made in Canada should be valued for customs duty purposes at the current rate of exchange, which was then about 29.28 cents, instead of at the proclaimed rate of 49.85 cents; (2) providing that, while goods of a class or kind made in Canada should continue to be entered for the purposes of ordinary duty at the proclaimed rate of 49.85 cents, they might be entered for special duty (that is dumping duty) at a rate which would make allowance for the rise in the level of prices in Japan, and which, at the time the proposal was made, would have meant a value for the yen of 41.51 cents. No concession was offered in respect to fixed valuations under Section 43 of the Customs Act. These fixed valuations, as I have already said, affected practically all artificial silk goods imported from Japan.

The Japanese Government considered these proposals insufficient, and proceeded to take action. On July 20, 1935, a surtax of 50 per cent was imposed on the following Canadian goods when imported into Japan:—

Wheat.

Wheat flour.

Flour of high gluten.

Starch.

Mechanical pulp for paper making.

Other pulp for paper making.

Wrapping paper and match paper—
excluding tissue paper.

Felt for paper making.

Wood, cut, sawn or split—

White cedar—Red cedar.

Spruce—Firs.

The Canadian Government retaliated on July 22, by an Order in Council declared to become effective on August 5th imposing a surtax of $33\frac{1}{3}$ per cent on all goods of Japanese origin, (which included Japanese raw silk coming in from the United States), imported into Canada.

The effect of these two measures was to erect practically insurmountable trade barriers between Canada and Japan, except in respect to Canadian exportations not included in the list of goods affected by the Japanese 50 per cent surtax.

I may state that, notwithstanding this action and the reprisal in respect to surtaxes, the Canadian Government did, on July 20, 1935, provide by Order in Council that the value for duty purposes of the yen should be fixed at 41.51 cents, and that this value remained unchanged until December 31.

Turning again to the piece of 27-inch brocaded rayon which I have already used to illustrate the effect of the customs and excise taxes during the first half of 1935, I now set out the treatment this article would have received had it been imported into Canada during the last five months of that year, and assuming the same invoice value, that is the same Japanese price and the same rate of exchange.

	During period when surtax applied August 5-December 31, 1935 with fixed valuation of \$1.25
Invoice Value of Fabric and Packing.. . . .	\$ 43 60
Value for Duty.. . . .	136 75
Duty Ad Valorem—40 per cent less 10 per cent.. . . .	49 23
Specific Duty—40 cents per pound.. . . .	43 76
Packing—¥ 4.5—20 per cent less 10 per cent.. . . .	40
Excise Tax—3 per cent.. . . .	8 27
Dumping Duty (Under Sec. 6(1)).. . . .	68 37
Surtax.. . . .	45 59
Currency Dumping Duty.. . . .	—
Total Duties and Excise.. . . .	215 62
Freight and Insurance.. . . .	5 07
Laid down cost of fabric.. . . .	\$ 264 29

The result in this case is a tax of $494\frac{1}{2}$ per cent on the invoice value of \$43.60.

The situation between the two countries remained unchanged until November, 1935, when negotiations were resumed on the initiative of the Government of Canada. These negotiations led to a settlement which became effective on January 1, 1936, and which was based on the following considerations: (1) the Japanese surtax of 50 per cent and the Canadian surtax of $33\frac{1}{3}$ per cent were cancelled, (2) the fixed valuations under Section 43 were also cancelled except those on rubber footwear and certain other articles in which Japan was not interested, and it was provided that in the case of the Government intending to exercise, at any future time, the power conferred upon it by Section 43, Japan should have the right to appeal on the question to the Tariff Board; (3) the current rate of exchange of the yen was made applicable for duty purposes to goods not of a class or kind made in Canada, (4) on other goods the yen was to be valued at 39.5 cents for 1936, this being its average exchange value for the five years 1930 to 1934 inclusive, the figure to be revised each year in conformity to the average of the five preceding years.

Under this new arrangement, the piece of 27" brocaded rayon taffeta to which I have already made two references would have been assessed, upon entry into Canada in July 1936, in the following manner:—

	July 1936 Value for Duty based on invoice price con- verted at proclaimed rate of 39.5 cents per Yen
Invoice Value of Fabric and Packing.. . . .	\$ 43 60
Value for Duty.. . . .	57 00
Duty Ad Valorem—40 per cent less 10 per cent.. . . .	20 52
Specific Duty—40 cents per pound.. . . .	43 76
Packing—¥ 4.5—20 per cent less 10 per cent.. . . .	32
Excise Tax—3 per cent.. . . .	3 64
Dumping Duty (Under Sec. 6 (1)).. . . .	..
Currency Dumping Duty.. . . .	15 18
Surtax.. . . .	..
Total Duties and Excise.. . . .	83 42
Freight and Insurance.. . . .	5 07
Laid down cost of fabric.. . . .	\$ 132 09

In this third case of this importation from Japan we have a tax of 191½ per cent on the invoice value of \$43.60.

At this time (January 1938) the total tax on a similar importation would be 143 per cent. This decrease since July 1936 is accounted for by the fact that the difference between the proclaimed rate for 1938 (29.5 cents) and the current rate (about 29 cents) being less than 5 per cent, no currency dumping duty is applicable.

In the foregoing paragraphs I have referred to the terms "goods of a class or kind made in Canada" and "goods of a class or kind not made in Canada." The difference between these two classifications lies in the difference accorded them by our customs laws. Goods of the first class are subject to the dumping duty provisions of section 6 of the Customs Tariff Act, while those of the second class are not subject to these provisions.

In the light of the foregoing review of the trade and tariff relations between Canada and Japan in recent years, it will be easier now to examine and to understand the events of January, 1936, and particularly the closing of the Dominion Textile Company's rayon mill at Sherbrooke.

The agreement entered into between Canada and Japan, which became effective on January 1, 1936, and which lowered materially the taxation imposed on importations of Japanese artificial silk, was not welcomed by Canadian manufacturers, although it left them in a more advantageous tariff position towards Japanese competition than manufacturers of artificial silk in the United States.* During the time of the deadlock between the two countries in the Fall of 1935, they opposed the making of any concession by the Canadian Government, although, as pointed out, the barrier against Japanese importations was practically prohibitive. Thus, the president of Canadian Cottons Ltd., manufacturers of artificial silk goods at Milltown, N.B., wrote to the Minister of Finance on November 29, 1935:—

"I am sure that when you have had time to study the Japanese situation you will satisfy yourself that the making of any trade concessions to Japan, other than those that are already accorded her, will mean that the industries of this country will languish and the unemployment situation will become very much worse than it is at the present time."

One exception must be made to the statement that the Canadian manufacturers opposed the making of any change in the tariff rates by the Canadian Government. This exception is in the case of raw silk. The companies manufacturing silk products were themselves prejudicially affected by the action taken

* Since this statement was written the situation has changed. United States rates are now (January 20, 1938) higher than the corresponding Canadian rates. This is due entirely to the working of the present Canadian method of regulating the value of the yen; which is referred to later in this report.

by the Canadian Government in so far as its 33 $\frac{1}{3}$ per cent surtax applied to Japanese raw silk—a raw material. They took action to have the Government exempt raw silk from this surtax. As Mr. Douglas Hallam, Secretary of the Primary Textiles Institute and also of the Silk Association, says in one of his letters dated July 31, 1935:—

“We have put the question of Japanese raw silk before the Government by telephone, telegram and memorandum.”

But these representations were not acceded to, and, save in respect to this item of raw silk, the Canadian industry does not appear to have wanted any change made in the Canadian tariff, which as noted above, had become practically prohibitive. This is indicated sufficiently in Mr. Hallam's evidence and in his letters filed. The industry therefore expressed alarm at the agreement with Japan concluded by the Government of Canada and put into effect on January 1, 1936.

This brings me to the Sherbrooke incident.

Shortly after January 1, 1936, the Canadian textile manufacturers took steps to interview the Government. An interview was arranged for January 14. The delegation was received by the Ministers of Finance, Trade and Commerce, and of National Revenue. It consisted of the following representatives of the industry:—

- H. W. Lundy, of Penmans Ltd., Chairman of the Primary Textiles Institute, representing makers of Knit Goods, Underwear and Hosiery.
- W. P. MacDougall, of Belding-Corticelli Ltd., representing makers of Threads, Twists, Braids, Ribbons and Hosiery.
- R. G. Tolmie, of Canadian Cottons Ltd., representing makers of Cotton Yarns and Piece Goods, Rayon Fabrics.
- N. Linnett, of Courtaulds (Canada) Ltd., representing makers of Rayon Yarns.
- J. H. Marx, of Associated Textiles of Canada Ltd., Chairman of the Broad Silk Section of The Silk Association of Canada, representing makers of Silk and Rayon Fabrics.
- J. G. Dodd, of Paton Mfg. Co., representing makers of Worsted Yarns and Woollen and Worsted Cloth.
- G. B. Gordon, of Dominion Textile Co. Ltd., representing makers of Cotton Yarns and Piece Goods, and Rayon Fabrics.
- P. R. Watson, of Grout's Ltd., and Valleyfield Silk Mills, representing makers of Silk and Rayon Fabrics.
- Brinley Taylor, of Courtaulds (Canada) Ltd., representing makers of Rayon Yarns.
- Douglas Hallam, Secretary, Primary Textiles Institute.

On January 16, two days after the interview, Mr. J. H. Marx, one of the delegation and chairman of the broad silk division of the Silk Association of Canada, drafted a report of the proceedings at Ottawa. This report was circulated to the industry on the following day by Mr. W. M. Berry, Mr. Hallam's assistant. It shows, that before interviewing the Ministers, the delegation had a meeting with the Commissioner of Customs and some other members of the departmental staff. After this meeting the delegates made up their minds that the proper course for them to pursue was to ask the Government to revert to the policy of a fixed valuation on artificial silk goods under Section 43 of the Customs Act, the abolition of which had been one of the most important considerations of the agreement with Japan.

The report shows that, in support of their plea for action, the delegates made a number of representations of fact to the Government. As proof of the imminence of disastrous Japanese competition, they told the Government that a certain Japanese 27-inch rayon taffeta was being offered for sale by an

importer at 13½ cents per yard for February delivery at Toronto, duty paid. The Canadian price on this cloth, according to the report, was 18½ cents and its actual cost about 17 or 17½ cents. The delegation asserted that all branches of the textile industry were alarmed at the situation; that the whole trade of the country was upset, meaning the business of manufacturers, wholesalers and retailers; that deliveries were being cancelled and no new orders placed; that certain mills had been closed. In fact all this expressed alarm seems to have been based on little more than the one quotation of 27-inch rayon taffeta just referred to, unless it can be said, as seems more likely the case, that the terms of the new trade agreement with Japan were themselves a subject of discontent and uneasiness in the industry since they meant a considerable reduction in the duties imposed on Japanese goods as compared with those prevailing in the fall of 1935. On this latter point, however, I should point out that these duties must still have appeared high to a consumer, as in the example I have given of a piece of 27-inch brocaded taffeta imported in July, 1936, they amounted to 191¼ per cent of the invoice price.

According to the report and to the evidence of some of the delegation who appeared before me, the Ministers did not promise any immediate action. The Minister of Finance expressed the opinion that the commotion was probably caused in a large measure by buyers taking advantage of the uncertainties of the situation following the coming into effect of the new trade agreement to bring prices down. He advised the delegation that the manufacturers should not give way to alarm on account of the reports made to them and which had been discussed, but that they should wait and watch developments. This appears in the light of future events to have been sound advice. Mr. Marx's report to the industry ends with the following remarks:—

"We also point out that these three men were very favourably inclined to keeping mills in Canada in operation, but that we have to bring proof first. During this period any aggravation of the situation by over-production should be avoided."

In so far as Mr. Marx is concerned, this is the place, I think, to deal with his position in these proceedings, because here the closing of another mill is involved. Mr. Marx was, at the time of the interview with the three members of the Government (and, I think, still is), president of Associated Textiles of Canada, Ltd., manufacturers of silk and rayon fabrics, whose mill is at Louiseville, Quebec. This mill was closed on December 14, 1935. In the report of the interview which he prepared, Mr. Marx stated that he told the Ministers that this closing had been rendered necessary by the fear of Japanese competition which, he said, was deterring his customers from placing orders for their requirements. But the exchange of notes between the Governments of Japan and Canada, setting out the terms of the new agreement took place on December 26 only, and was made public on December 28. In another part of his report, however, Mr. Marx asserts that there was at that time an over-production of textile goods in Canada and recommends curtailment. Thus he says:—

"..... Japan is well equipped and has been making every type of staple fabrics that is being produced in Canada at the present time, and in view of the fact that there is serious over-production in the textile group to-day, there is no doubt that the condition for the next four months will be worse due to the goods coming in from Japan. We recommend, as a group, that curtailment of production of each individual mill would be a safeguard for that mill until we have been able to prove to the present Government the seriousness of these importations from Japan."

The evidence regarding the production of silk and rayon fabrics in Canada, taken from the reports made to the Silk Association of Canada by the reporting members of the association, shows in fact that the stock of manufactured goods on hand at the end of December, 1934, totalled 2,849,442 yards, while at the end of December, 1935, the total was 3,926,681 yards.

I may say that these figures do not include the production of the Dominion Textile Co. Ltd. which did not report to the association, nor do they include

the rayon production of Montreal Cottons Limited and Canadian Cottons Limited.

What happened in fact is that, four days after the interview, on January 18, 1936, Mr. Marx reopened the Louiseville factory and it has been operating ever since. More than that, his company has recently established a subsidiary at Coaticook, Quebec, known as Eastern Canada Textile Ltd., which began manufacturing rayon print fabrics on October 15, 1937.

I shall now examine the course taken by the Dominion Textile Company after the interview of January 14.

One of the members of the delegation present at the interview was Mr. G. Blair Gordon, Managing Director of the company, who gave evidence before me. Mr. Heward, in presenting the argument on behalf of the company on this part of the case, states, as the fact is, that Mr. Gordon "has made it clear throughout his evidence that the decision to suspend operations (at Sherbrooke) was made by him and by him alone and he accepts full responsibility for that decision."

This makes it necessary for me to make frequent reference to Mr. Gordon personally in dealing with the Sherbrooke incident. It is not disputed, though, that in the action which he took he was acting within his authority as Managing Director of the company.

The rayon fabrics of the company are manufactured in the grey at Sherbrooke and are processed and finished at the company's print works at Magog, Quebec. (I am leaving out of this reference the rayon production of the Montreal Cottons Limited which is controlled by the Dominion Textile Company and which does its processing in the vicinity of its manufacturing plant.) Exhibit 135 shows the company's stocks on hand in December, 1934, and January, 1935, as compared with the same two months in 1935 and 1936. The figures are as follows:

DOMINION TEXTILE COMPANY LIMITED—STOCKS OF RAYON ON HAND—
(EXPRESSED IN YARDS)

	Stocks in Grey at Verdun	Stocks in Grey in Process and Finished in Magog	Total Stocks on Hand
1934			
December 8th.....	384,018	902,640	1,286,658
December 15th.....	345,054	776,520	1,121,574
December 22nd.....	163,759	1,067,360	1,231,119
December 30th.....	204,013	743,640	947,653
1935			
January 5th.....	157,414	969,800	1,127,214
January 12th.....	118,379	1,035,400	1,153,779
January 19th.....	157,266	984,200	1,141,466
January 26th.....	160,084	989,320	1,149,404
February 2nd.....	156,097	1,025,480	1,181,577
	Stocks in Grey at Sherbrooke	Stocks in Grey in Process and Finished in Magog	Total Stocks on Hand
1935			
December 7th.....	418,947	1,345,240	1,764,187
December 14th.....	422,434	1,521,160	1,943,594
December 21st.....	495,019	1,545,160	2,040,179
December 28th.....	638,953	Inventory	no figure
1936			
January 4th.....	581,436	1,459,000	2,040,436
January 11th.....	630,183	1,423,720	2,053,903
January 18th.....	736,709	1,381,000	2,117,709
January 25th.....	688,246	1,337,840	2,026,086
February 1st.....	707,921	1,250,880	1,958,801

It will be seen, therefore, from these figures of stocks on hand furnished by the Dominion Textile Company and those of the Silk Association of Canada already given, that Canadian manufacturers of rayon fabrics had apparently been producing these goods in the latter part of 1935 in volume larger than the requirements of consumption of the Canadian market. It also appears from the evidence that the Sherbrooke mill was turning out grey cloth more rapidly than the Magog print works could handle it, and that additional machinery was being installed at Magog.

At the time of the happenings with which I am now dealing, Mr. F. R. Daniels was manager of the grey mill operations of the company, and Mr. J. G. Kershaw was the company's acting general superintendent at the Sherbrooke Branch.

Mr. Kershaw testified that in the month of December, 1935, the Sherbrooke mill had been running 55 hours per week. On December 13, Mr. Daniels instructed him by letter that from then on the mill would not run more than 48 hours per week. The letter said the cause of this curtailment was "merely, for the time being, that the print works will not be able to handle more than this production."

On January 13, 1936, Mr. Daniels and Mr. Kershaw met at the head office of the company at Montreal. There Daniels told Kershaw that it would be necessary further to curtail production at Sherbrooke on account of the shortage of machinery at Magog. Mr. Kershaw says at this time he had no knowledge of any curtailment being rendered necessary by reason of Japanese competition.

The interview at Ottawa took place on the next day, January 14. As Mr. Marx's report shows, it ended without having secured from the Ministers any promise of action. Rather, the message which the delegation carried away was the advice of the Minister of Finance not to be unduly disturbed by what was, after all, only very meagre evidence of a threatened Japanese "invasion," but to take time to see how the situation would develop.

But Mr. Gordon took action the next day, January 15. He wrote to Mr. Kershaw at Sherbrooke as follows:—

"You will be receiving instructions from Mr. Daniels to close down operations in the Rayon Division Friday night, January 17, as this action is necessary in view of the threatened invasion of the Rayon Market in Canada by Japanese goods at the present time. We have made representations in Ottawa in the proper quarters, but, until some action is taken by the Government to stabilize the situation, it is quite impossible for us to book any further orders or to continue production for stock purposes."

The next day, January 16, Mr. Gordon wrote to Mr. H. B. McKinnon, Commissioner of Tariff, Department of Finance, Ottawa. The pertinent part of his letter is in the last two paragraphs:—

"Since returning from Ottawa, I have reviewed our own rayon situation carefully, and, in view of our present stocks and the doubtful validity of present orders on our books, I can only conclude that it would be sheer folly to continue producing more rayon goods in the Rayon Division of our Sherbrooke Branch. I have, therefore, made arrangements for that mill to cease operations to-morrow night; and it will have to remain closed until we can have some reasonable grounds for assuming that goods produced can eventually be sold at a price level in line with cost of production. The mill in question employs between 500 and 600 hands, or approximately 50 per cent of the total employees in the Sherbrooke Branch of the Company.

"I am hoping that in spite of the rather indefinite promises of immediate action made by Mr. Dunning, something will be done to stabilize the whole situation so far as landed values on all types of textiles from Japan are concerned. I think the idea of waiting for the situation to develop is tantamount to watching a fire make headway before attempting to bring it under control, and I am afraid the longer the Government holds off the more difficult it will be in the end to make the changes which are absolutely necessary if our whole industry is to be kept in the picture."

In the meantime, on January 15, Mr. Daniels wrote as follows to Mr. Kershaw:—

"DOMINION TEXTILE COMPANY LTD.,
Sherbrooke Rayon Division,
Sherbrooke, Que.

DEAR SIRs,—Further to our conversation of Monday regarding short time operations. Since that date further complications have arisen which necessitate more drastic action. You will therefore post the following notice in several prominent places throughout the Rayon mill:—

SHERBROOKE, QUE., January 16, 1936.

DOMINION TEXTILE COMPANY LIMITED

SHERBROOKE BRANCH—RAYON DIVISION

NOTICE

This mill will close down on Friday January 17 and will remain closed indefinitely.

(Signed) G. B. GORDON,
Managing Director.

Yours truly,

DOMINION TEXTILE COMPANY LIMITED

F. R. DANIELS,
Manager of Grey Mill Operations."

This notice stating, as it does, that the mill would close down on January 17 and remain closed "indefinitely," was posted up according to instructions.

The number of people thrown out of work was about 400.

On January 18th the City Council of Sherbrooke sent the telegram to the Prime Minister which is set out in the Order in Council creating this Commission:—

"Special emergency meeting City Council held to-day strongly ask that your Government intervene immediately over the situation that has developed whereby our largest flat silk industries employing over a thousand hands has suddenly closed down leaving these people without employment STOP. Our City unable to cope with alarming situation and request your Government take immediate steps to remedy this condition STOP. City cannot take care of such increased unemployment."

This telegram states that the number of persons put out of work was over one thousand. It was suggested on the argument that the mention of this larger number instead of 400 was probably explainable by the fact that the Council might have assumed from the report made to it that the closing order applied to the Company's cotton mill as well as to its rayon mill. The rayon mill was closed, but the cotton mill remained in operation. The fact that 400 men were deprived of their means of livelihood is, of course, less serious than would have been the case if the number had been 1,000, but it created nevertheless a grave situation in the City of Sherbrooke. A large number of persons became unemployed and the notice given them did not convey much hope, because it said simply that the mill would remain closed "indefinitely." It cannot be disputed that the sudden closing of a mill employing 400 persons in a city like Sherbrooke is a matter of great concern. Mr. Gordon himself pointed this out in an article intitled "Our Textile Industry" which he published in the "Manual of the Textile Industry of Canada, 1934," where he says:

"... The 'Main Street' of many a town reflects faithfully the activity of the textile mill or mills within its limits. The closing down of a plant in such a community is not only a major calamity to those close at hand, but also leaves its marks in other distant points."

Immediately following the closing of the mill on January 17th, the news of the event received publicity in the newspapers, when as the Order in Council says:

"Also on the same date (January 18th) representations appeared in the press to the effect that according to word received from Sherbrooke uncertainty in the textile market, due in large part to Japanese competition in certain artificial silks, had forced the Dominion Textile Company to close its rayon plant at Sherbrooke, Quebec, and that the plant closed down would remain inactive until the present situation in the industry had been clarified.

The Montreal Gazette of January 18th, also contains the following relative to the foregoing representations:—

“G. Blair Gordon, President of the Dominion Textiles, who is in the United States at present, last night confirmed the report in reply to a telegraph query. His message added ‘Hope to re-open when we can see possibility of manufacturing goods which can be sold.’”

Regarding the *Gazette*’s statement, the evidence shows that on January 17th, Mr. Gordon, answering an inquiry from that paper, sent the following telegram:

“Report correct. Mill employs about five hundred of both sexes. Hope to re-open when we can see possibility of manufacturing goods which can be sold.”

All of Mr. Gordon’s written statements taken together: his letter to the Commissioner of Tariff, his letter to Mr. Kershaw, his telegram to the *Gazette*, and the wording of the notice he caused to be posted in the mill, seem, in my opinion, to convey no other impression to one reading them than that he was dissatisfied with the Government’s tariff policy and with the response given by the Ministers to the demands of the industry at the interview of January 14th, and that his intention was to keep the mill closed until Japanese competition was made impossible by action of the Government towards meeting those demands, or, perhaps, was shown by lapse of time to be non-existent or ineffective. And, there is no doubt, according to Mr. Marx’s report, that the action demanded of the Government was the abandonment of the agreement with Japan by a reversion to the policy of fixed valuation.

Mr. Gordon decided on January 23rd to re-open the mill. But unfortunately he did not write to the Commissioner of Tariff on this occasion to inform him, and the Government through him, of his decision. Nor can I find that he took any other steps, in the press or elsewhere, to make his intention known to the public. So, on the one hand, it is quite true, as Mr. Heward points out, that Mr. Gordon’s decision to resume operations was not prompted by the creation of this Commission, which took place on January 27th, but, on the other hand, it is equally true that on January 27th the Government had no knowledge that Mr. Gordon intended to re-open the mill on January 29th, the date on which the re-opening took place, or at all.

I have said that Mr. Gordon decided on January 23rd to re-open the Sherbrooke Mill. The re-opening was set for January 29th and took place on that day. Before dealing with the actual decision to re-open, it will be necessary to relate briefly some of the incidents which occurred between the closing on January 17th and Mr. Gordon’s decision to re-open arrived at on January 23rd.

The evidence shows that Mr. C. B. Howard, Member of Parliament for Sherbrooke County, interviewed the Sherbrooke City Council and the Government concerning the situation created by the closing of the mill, and that on January 21st he had a meeting at Montreal with Mr. J. G. Dodd who is described as the head of the selling department of the Dominion Textile Company. At this meeting two matters were discussed. As to the closing of the mill, Mr. Dodd said that it had been rendered necessary by Japanese competition. Mr. Howard then drew Mr. Dodd’s attention to the plight of a number of the employees put out of work and of their dependents. The people in question had come from Verdun and had not been in Sherbrooke long enough to be entitled to relief from the City. Thereupon, Mr. Dodd telephoned to the Company’s Manager in Sherbrooke and steps were taken by the Company to look after these people by guaranteeing their grocery accounts.

The fact is that the Company’s rayon manufacturing had formerly been taking place at Verdun. In September 1935, the Verdun plant was closed and the machinery removed to Sherbrooke where the operations have since been carried on. At the time this was done a number of operatives with their families (about 70 families in all), were removed to Sherbrooke and were put to work there. These people formed a large proportion of those affected by the closing

of the mill, and as they had not been residents of Sherbrooke for the period of six months required by law, they were not qualified for relief and were left to their own resources. According to Mr. Howard's evidence about 40 of these families had no means of subsistence. These are the families who were assisted by the Company after Mr. Howard's interview with Mr. Dodd.

I find next that Mr. Kershaw telephoned to Mr. Gordon on January 23rd, the day the latter returned from the United States, calling his attention to the distress in which the families from Verdun had been placed by the closing of the mill. He recommended that the mill be re-opened to give these people employment. Mr. Gordon agreed to this, and on the next day Mr. Bishop, the comptroller, sent the following letter to Mr. Kershaw:

"Dear Sir,

Further to 'phone conversation between Mr. Gordon and yourself *re* starting up the Rayon Division next Wednesday. Please follow the following schedule for the next two weeks when further instructions will be sent you.

RA 1—3 days per week and commence to run looms off.

RA 2—Do not run any looms at all on this style unless they are mixed up with other styles in a Weaver's set.

RA 3—3 days per week. Do not increase number of looms.

RA 6—Same as RA 3.

RA 16—Print Dept. is sending you Purchase No. 7589 calling for 40,000 yards. Prepare to put this in looms now running on RA 1.

It is understood that there is to be no night work at all and that the above covers the week ending February 1st, and week ending February 8th, only.

Please acknowledge these instructions.

Yours truly,

DOMINION TEXTILE COMPANY LIMITED.

C. A. Bishop,
Comptroller."

There followed a telephone conversation between Mr. Kershaw and Mr. Gordon about the practicability of putting the article described as RA 16 on the looms, and as a consequence, the comptroller sent a second letter to Mr. Kershaw dated January 25:—

"DEAR SIR,—Further to ours of the 24th instant.

"Please disregard our instructions about putting the RA 16 in the C & K looms now on RA 1 as it does not require a Drop Box loom, and put it on Stafford looms.

"We understand that before receiving our letter, you advised all your help to report next Wednesday, therefore it will be in order to run the RA 2 three days next week and then stop it until further notice.

"Yours truly,

DOMINION TEXTILE COMPANY LIMITED.

C. A. Bishop,
Comptroller."

These letters do not make it clear whether or not the intention at the time they were written was to keep the mill in operation permanently, but in any event the fact is that it has been operating ever since.

In the meantime, the Order in Council creating this Commission was passed on January 27.

Mr. Heward argues that the closing of the mill was intended to be only temporary. In making this assertion he refers to certain evidence given by Mr. Gordon. The statement in his brief is as follows, on page 75:—

"What must be clearly borne in mind, however, is that the shutdown was not and was not intended to be a permanent shutdown. From the outset it was intended to be a suspension of operations in order to allow the management to ascertain where they stood.

"If it had been intended to permanently cease production in the rayon division of the Sherbrooke plant a very different course would have been adopted, that is, the looms instead of being stopped would have been run off, and when run off would not have been refilled.

"By suspending operation of the looms, however, the Company was put in a position of being able, when the situation developed and became clarified, to run off all the looms, or to run off some and to continue others, or to continue all the looms, in accordance with what in their judgment after examination of the situation was considered to be prudent."

I do not think this statement makes the situation any clearer than it is made in Mr. Gordon's letter to the Commissioner of Tariff and in the notice to the workmen posted in the mill and which stated that the mill would remain closed "indefinitely." Mr. Heward says in effect that the Company kept itself in a position of being able to resume work in whole or in part or to stop work after running off the material which had been left on the looms, "when the situation developed and became clarified." It seems to me in the light of all that was written at the time of the closing that the clarification and development referred to can mean only action to be taken by the Government to accede to the demands of the manufacturers or perhaps, to repeat what I have already said, a failure of Japanese competition to make itself felt.

Regarding the days the mill remained closed and the actual hours of work lost, Mr. Heward makes the following statement which correctly sets out the situation. It is to be found at page 62 of his brief:—

"The actual usual working period during which operations were suspended was very short. The rayon division was closed for eleven days only, but as at the time of the suspension of operations the rayon division was working only forty-eight hours per week, that is, four days of ten hours and one day (Friday) of eight hours, with no work on Saturday, and as the eleven days included two Saturdays, two Sundays and a legal holiday, namely, the day of the late King's funeral, the working days which were lost by the operatives as a result of the suspension of operations were five days of ten hours each and one day of eight hours, or a total of fifty-eight hours work, which is three hours more than the normal working week. The actual amount of time lost by the operatives was therefore small."

Coming now to Mr. Gordon's evidence regarding his decision, arrived at on January 23, to reopen the Sherbrooke mill, I find that he refers to a concurrence of several reasons actuating him. There was the condition of the people in distress in Sherbrooke, and from a business point of view, there was a certain appraisers' bulletin issued by the Department of National Revenue to its Customs Collectors, and following upon this the cancellation, by the Toronto firm in question of the quotation on a 27-inch Japanese rayon taffeta landed at 13½ cents f.o.b. Toronto, duty paid, which had been referred to at the interview with the Ministers on January 14.

The departmental bulletin, or letter of instructions, above referred to, is dated January 10, 1936. Its evident intent is to prevent undervaluations (fictitious valuations) in invoices of Japanese shipments. It reads as follows:—

"Sir,—It has come to the attention of the Department that on shipments of artificial silk fabrics of Japanese origin exporters may show on Customs invoices lower values than previously certified to.

"You are requested to carefully appraise importations of the above mentioned goods. In this connection you may refer to Customs invoices covering importations of similar goods made during 1934 and 1935, or examine relevant data at the offices of the importer, and if it is found that the values certified to are not correlative the importer should be invited to give or obtain a statement as to the reason for any reduction in values certified to.

"I am enclosing a sample—a 27-inch fabric weighing approximately 9 yards per pound, which was imported during 1935. The value certified to was approximately Yen 8.00 per a piece of 30 yards.

"Please report to the Department entry numbers, number and amount of amending entries, and also your findings in respect to fair market value.

"Please advise immediately all known importers of fabrics that importations will be subject to appraisal, and they may be called on to amend entries.

"Yours truly,

"For Commissioner of Customs."

Giving evidence on April 8, 1936, Mr. Gordon said that the issuing of this letter to collectors of customs had had "very effective action in certain quarters."

In any event the fact is that the Sherbrooke mill resumed operations on January 29 and has been running ever since, apparently with results satisfactory to the company.

According to Mr. Marx's report of the interview of January 14, this bulletin, or letter, which is dated January 10, was before the delegation in the meeting they had with the Commissioner of Customs before seeing the Ministers and was discussed at that time. He sets out the purport of it in his report. However, Mr. Gordon's attention was not brought to it at that occasion, apparently, and he says that he did not become acquainted with the tenor of the document until his return from the United States on January 23.

The Order in Council also directs me to inquire into and to report upon any other cessation of operations brought to my notice. I have already dealt with the closing of the Associated Textiles of Canada's mill at Louiseville between December 14 and January 18. The only other case of a similar nature was that of the mill of the Canadian T. S. R. of Lyons Ltd. at Cap de la Madeleine, Quebec. After inquiring into this incident I find it was not inspired by any dissatisfaction of the company with the tariff policy of the country, but was impelled by financial causes. The company has since been reorganized under the name of Laurentian Silk Mills Ltd. and the plant is now in operation.

It will be of interest now to look into the developments of the year 1936 and as far as possible into 1937, to see to what extent, if at all, the fears expressed to the Government by the Canadian manufacturers of textiles were well founded.

The great bulk (approximately 90 per cent) of artificial silk yarns used by Canadian manufacturers is made by Canadian Celanese Ltd. at Drummondville, Quebec, and by Courtaulds (Canada) Ltd. at Cornwall, Ontario. The Celanese Company manufactures acetate yarns and uses the whole of its product for its own production of fabrics. It does not sell to other processors. The Courtaulds Company makes only viscose yarns which it sells to processors and does no other manufacturing. This company also imports a certain quantity of acetate yarns from Great Britain for sale to manufacturers of fabrics. A rather fair indication of the state of artificial silk manufacture in Canada may be drawn from a glance at the affairs of these two companies.

The Textile Journal of July 9, 1937, carries an announcement by Courtaulds (Canada) Ltd. of an "immediate expansion program involving the expenditure of \$3,000,000 in new buildings and equipment." This program is now under execution. The announcement adds that this expansion includes the erection of a new building with spinning and yarn production equipment necessary for additional production. It is stated that this new unit will increase Courtaulds' production by 42 per cent.

The same publication in its number of November 12, 1937, announces what it calls a further remarkable expansion of the plant of Canadian Celanese Ltd. at Drummondville, Quebec. It refers to a statement by the president of the company of an expenditure of \$900,000 on new machinery and general equipment during the preceding twelve months.

Regarding recent downward revisions of the Customs Tariff, the following interesting statement is made concerning the Celanese Company:

"Mill Selling Prices Reduced"

"Although the increase in yarn and fabric imports was not as large as was anticipated, it brought a drastic reduction in Canadian mill selling prices. Abolition of the specific duty meant that importers of British artificial silks could bring them into Canada at prices 5 to 12 cents a yard less than previously. The answer of the Celanese Company to the new threat from abroad was to reduce its prices to the level demanded by the import competition.

"Celanese fabric production for the year 1936, facing new import competition from the United Kingdom, did not command the price level of the previous year. But the volume

of production greatly increased for during that year the company produced and consumed around 5,500,000 pounds of acetate yarn against a consumption of around 4,700,000 pounds in the previous year. Acetate yarn consumption of the plant during 1936 was in fact an all-time record."

It will be interesting also to note, as illustrating how a home manufacturer may meet a lowering of tariffs successfully, although the effect of the lowering is to reduce prices to the consumer, the attitude taken by the Canadian Celanese Company in 1936 to meet the competition which resulted from the tariff reductions made effective in May of that year. An article in the Textile Journal of July 24, 1936, has this to say regarding the company's position:

"Meeting Competition from English Manufacturers"

"Conscious of the unquestioned success of the plans laid in the year 1929 the Celanese company entered the tenth year of its activities in Canada with a powerful and well directed organization. There was in the beginning of the year 1936 keen competition in the domestic market between producers of artificial silk goods and there was the threat of lower tariffs on imports of such goods from other countries. But the Celanese organization maintained its position and it showed little surprise when on May 1 of this year the tariffs on acetate yarns and artificial silk goods from the United Kingdom were substantially reduced.

"The new tariff rates brought a burst of competition from importers of British artificial silk goods and the answer of Celanese was in keeping with its record. It reduced the prices of its products to the level of those being landed in Canada from the United Kingdom and retained and expanded its business. This action did reduce the general artificial silk price level in Canada but it was considered by the company to be a logical step and the only one which would meet the circumstances. So the company maintained its production and sales and consolidated its position against the threat of import competition."

It may, of course, be argued that the great expansion in Canada of artificial silk products above referred to is due, in a large measure, to the rapid replacement of real silk by artificial silk. The headway made by artificial over real silk is a fact that must receive due weight. But this conversion of production does not affect the question concerning the Canadian-Japanese agreement raised by the manufacturers of Canada who waited upon members of the Government on January 14, 1936. The fears expressed by this delegation, and put forward as their reason for asking the Government to cancel its agreement with Japan, was that the Canadian market for artificial silk was about to be flooded by Japanese goods. According to their presentation of the case, the Canadian demand, whether large or small, whether expanded or diminished, was going to be met by Japan, and not by Canada, unless radical changes were made in our (then) new tariff structure.

I now set out a tabulation of the volume of production of rayon fabrics by the nine leading manufacturers in Canada, whose production formed 90 per cent of the total Canadian production in 1936, showing a comparison of this production in the first 11 months of 1935, 1936 and 1937. These figures are confined to these eleven-month periods because information is not yet available beyond the end of November, 1937.

DELIVERIES OF ARTIFICAL SILK FABRICS—FIRST ELEVEN MONTHS, 1935, 1936, 1937

	1935	1936	1937
	Yds.	Yds.	Yds.
Canadian Celanese Ltd.....	14,165,058	13,958,820	15,544,211
Canadian Cottons Ltd.....	2,105,299	2,124,242	2,707,146
Dominion Textile Co. Ltd.....	1,922,621	2,687,143	3,326,150
Montreal Cottons Ltd.....	1,494,756	2,185,535	3,189,210
Associated Textiles of Canada Ltd.....	2,110,795	2,567,258	3,868,219
M. E. Binz Co. Ltd.....	2,009,800	1,278,204	1,277,035
Bruck Silk Mills Ltd.....	1,907,520	2,065,329	2,060,095
Consolidated Silk Mills Ltd.....	1,903,267	1,552,553	1,296,147
Grout's Ltd.....	651,599	1,296,072	1,756,897
	28,270,715	29,715,156	35,025,110

Next I give the figures of importations for the same three periods. In the case of importations, the trade figures cover rayon mixtures as well as all-rayon fabrics, whereas the production figures relate only to all-rayon goods. According to trade returns of the United Kingdom, approximately one-half of the exports to Canada now consist of rayon mixtures, although in earlier years the proportion of mixtures was much higher. I shall first give the import figures on the basis of weight as this is the manner in which they are recorded in the trade returns.

IMPORTS OF ARTIFICIAL SILK FABRICS—FIRST ELEVEN MONTHS, 1935, 1936, 1937

	1935	1936	1937
	Lbs.	Lbs.	Lbs.
All Countries.....	659,436	1,109,913	1,743,987
United Kingdom.....	462,947	610,620	1,046,817
United States.....	97,950	127,753	184,813
Japan.....	40,786	330,988	442,498
Other Countries.....	57,753	40,552	69,859

The equivalent yardage figures may be approximated as follows:—

IMPORTS OF ARTIFICIAL SILK FABRICS—FIRST ELEVEN MONTHS, 1935, 1936 and 1937

	1935	1936	1937
	Yds.	Yds.	Yds.
All Countries.....	2,756,000	5,411,000	8,139,500
United Kingdom.....	1,759,000	2,320,000	3,978,000
United States.....	499,500	651,500	942,500
Japan.....	273,000	2,291,000	2,964,000
Other countries.....	224,500	148,500	255,000

Coming to the Dominion Textile Company, the Company which is of particular interest in the present part of this report, its position at the end of 1936 does not support the fears which Mr. Gordon apparently entertained at the beginning of that year. On December 7, 1936, it put into effect an increased schedule of wages to its employees ranging up to a maximum of 7 per cent. In announcing this increase the Company said:—

"A general improvement in the conditions of our business, as reflected in the volume of orders on our books at the present time, is the underlying reason for this increase in wages."

In the Company's annual report for its business year ending March 31, 1937, I find the following statement:—

"We have been fortunate in securing a good volume of business over the past twelve months or so despite further reductions in the tariff during the interval. Under less favourable circumstances, the present tariff may prove quite inadequate to protect our wage levels and other costs of operation. Our main competitors, namely, Lancashire and the United States, have not been so hard-put recently to find outlets for their vast production in this market and, as a result, we have had some measure of relief from the type of competition we have long been accustomed to meeting from those sources. While Japan has made great headway, both in cottons and rayons, the total volume of these exports to Canada has not yet reached serious proportions, although it promises to do so if the present rate of increase continues unabated."

The annual statement of Canadian Cottons Ltd. for their financial year 1936-37, which also ends on March 31, 1937, is of a mixed character. It announces a better position for the Company than in the previous year and then refers to the question of Japanese competition in rayons:—

"Your Directors have pleasure in submitting the Twenty-seventh Annual Report of your Company, together with Balance Sheet as at March 31, 1937, and Profit and Loss Account for the twelve months' period ended on that date.

"The production of your mills has been well maintained during the year and more particularly during the last six months thereof. While the margin of profit on the goods produced has been very small, yet, as the volume of sales has been larger than for a number of years, your Company is able to present a Financial Statement which we trust will be satisfactory to the Shareholders.

"The Net Profit for the year, including interest on investments, amounted to \$360,137.33, as compared with \$222,814.16 for the previous year.

"The Preferred Shareholders of the Company received their usual dividend of 6 per cent, amounting to \$219,690, and \$108,620 was distributed among the Common Shareholders, being at the rate of 4 per cent per annum on their holdings. After the payment of these dividends an amount of \$31,827.33 is left to be added to Profit and Loss Account as compared with a net loss of \$105,495.84 shown at March 31, 1936."

* * * * *

"Your directors are earnestly hoping that our Government will shortly put restrictions upon the importations of Japanese Rayons, such goods having come into Canada during the last year in ever increasing quantities and at prices that are quite impossible for Canadian manufacturers to meet. This condition of things has necessitated the shutting down of a number of looms at the St. Croix Mill that would otherwise be in operation. Unfortunately this Mill, due to lack of production and the keenest kind of competition, is still being operated at a loss, and the future outlook for that particular unit of your Company's Organization is far from encouraging."

Regarding the reference in this report to the St. Croix Mill, I may point out that the table of volume of production of the nine principal companies above set out shows that the rayon production of this mill, the only one in which the Company manufactures rayon fabrics, shows a small increase in 1936 over 1935, and a large increase in 1937 over 1936. The 11 month figures in each year are: in 1935, 2,105,299 yards; in 1936, 2,124,242 yards; and in 1937, 2,707,146 yards.

It must be noted, in respect to Canadian Cottons Ltd., that its production consists mainly of cotton goods. Its rayon manufacture is confined to its St. Croix Mill. The Dominion Textile Company also produces much more cotton than artificial silk goods. Its manufacture of the latter product is confined to its Sherbrooke Mill, to which, however, may be added, for practical purposes, the rayon mill of its subsidiary company, Montreal Cottons Ltd., at Valleyfield, Quebec. Mr. G. Blair Gordon is Managing-Director of both companies.

And again, I must state that, according to the evidence, artificial silk, in addition to displacing real silk at a rapid rate, is also making some inroads on the consumption of cotton goods.

CONCLUSION *RE* SHERBROOKE CLOSING

In the light of all the facts I have recited, it appears to me that the attitude of the delegation which expressed its apprehensions to members of the Government on January 14, 1936, and presented a demand for immediate action of a drastic character, was not justified by the situation as it then existed, and as it has developed since without the desired action having been taken. In particular I think that the circumstances surrounding the closing of the Sherbrooke mill, as they were made to appear, by the company, to the Government, to the public and to the company's employees, indicate hasty action, taken without due consideration of the real situation, causing, as it was bound to cause, distress and alarm, and calculated to impress the Government with the necessity of acceding at once to the request put before it by the delegation.

THE RESPONSIBILITY OF INDUSTRY

The terms of the Order in Council of January 27, 1936, show that the expediency of holding this inquiry was determined by the closing of the Sherbrooke mill and the circumstances accompanying this closing. The question of the responsibilities of industry, and especially of a protected industry, particularly in times of national difficulty, runs through the whole of the subject-matter of the investigation. The true position of an industry having been determined and the value of the privileges which it enjoys having been ascertained, an examination of the nature and the measure of its duties towards the public and towards those who serve it would appear to follow as a necessary consequence.

The present occasion may be the first in which the questions involved have been explored in Canada, at least on a large scale. I believe it is. There is more involved here than the usual problems of adequate wages, reasonable hours and proper working conditions. The further question is presented of the duty of an industry to take a share of the loss suffered by the community in periods of distress.

That a company in the position of the Dominion Textile Company is bound to some degree of responsibility seems to have been recognized by Mr. Gordon, who tells us that one of the reasons which prompted him to re-open the Sherbrooke mill was the necessity of providing relief by means of work for destitute employees. The same sense of responsibility is to be found in the action of the company, before the mill was re-opened, in guaranteeing the grocery accounts of these destitute persons. These acts cannot be qualified as mere acts of charity which might be extended to anybody; their character is determined by the fact that they were extended only to those between whom and the company the relationship of employer to employees existed.

But while the problem of the responsibility of industry in the sense in which I am now discussing it may not have been examined before in this country, it is by no means a new subject of interest in social and political history. Rather is it an old question. For instance, in the history of industrialism in England, the following quotations from "The Growth of English Industry and Commerce in Modern Times" by W. Cunningham, D.D., will illustrate the state of this problem in England in the 16th and the beginning of the 17th centuries. This quotation is taken from pages 49 and 50 of Part I of the work:—

"... It is interesting, however, to find indications of the influence which contribute most noticeably to the sufferings of the poorer classes in modern times—the sudden changes to which they are forced to submit because of fluctuations in trade. In the sixteenth century, the clothing trade depended for its prosperity on access to foreign markets; and weavers and spinners might be suddenly cut off from all opportunity of employment, when intercourse with continental countries was interrupted through political complications. The Tudor government, backed by public opinion, took a very strong line as to the duty of capitalists, either as merchants or employers under such circumstances; it was thought only right that they should bear the risk of loss, which arose from increasing their stocks while there was no sale abroad, rather than to condemn the workmen to enforced idleness. Wolsey had met the difficulties in this fashion in 1528; he had insisted that clothiers should continue to employ workmen. In 1586 it was reported to the credit of the clothiers of Gloucestershire, that they had not diminished employment, although they were losing heavily on each cloth; and the Ipswich employers were compelled to set the poor at work in 1591. The most striking exemplifications of this principle occurred during the great depression in the clothing industry in 1622 and 1623 when the Privy Council issued Proclamations insisting that the clothiers should continue to employ the weavers as they had done when trade was good."

It will also be of interest to note that at page 206 of the same volume, the author describes the change which took place at a later period when the policy of "laissez faire" dominated enterprise:—

"... The result was an immense development of economic freedom, both as regards the practice of various callings and the conduct of internal commerce. But this step in progress was purchased at a heavy price; loss arose as well as gain in the changes of the

time. Under these altered conditions no room was left for authoritative insistence on moral, as distinguished from legal, obligations; the success of Puritanism meant the triumph of the new commercial morality, which held good among moneyed men; capitalists had established their right to secure a return for their money, and there was no authority to insist upon any correlative duty, when they organized industrial undertakings and obtained a control over the means of production. There are still examples of manufacturers who continue to carry on business at a loss in bad times, in order to provide employment for their hands, but the time has passed when government could insist on such conduct as obligatory."

It must be borne in mind, in reading the above excerpts, that the author is dealing with the duties of industry and of capital in general. But in the present investigation the industry concerned is one which has enjoyed for many years the privilege of a protective tariff. Without this tariff the consumer would be at liberty to buy his requirements in whatever market he chose, and at free trade prices, excepting perhaps a purely revenue impost. For instance, we have seen some of the comparatively cheap invoice prices of certain artificial silk goods landed in Canada from Japan. In other words, the community has consented, through Parliament, to tax itself for the benefit of an industry which turns out a product that everybody must use and which, in a large measure, is not indigenous to Canada. Some of the industry's necessary raw material: raw silk, raw cotton, and a portion of the raw wool, must be imported from other countries.

The community, therefore, is entitled to some substantial benefit from such an industry in return for the great privilege bestowed on it. At the present moment I am merely touching upon this question and in one only of its aspects. The whole subject will call for fuller treatment later on.

OBJECTS SOUGHT TO BE ATTAINED

But the Order in Council does not deal only with the responsibilities of the textile industry. These cannot adequately be determined unless at the same time an impartial inquiry is also made into the interests of the industry.

It is in order that the investigation should bear this character of thoroughness that I have been directed to inquire into and to report upon all matters pertaining, not only to the responsibilities of the industry, but also to the interest of its employees, of the public, and of the industry itself. As the Order in Council says, the safeguarding of all these interests by appropriate action is the object which the Government has in view.

To attain this end,—again according to the wording of the Order in Council,—it has been my duty, in fulfilling this Commission, to obtain and transmit to the Government all necessary information, covering a period of years, with respect to the following matters:—

- (a) tariff protection,
- (b) volume of production,
- (c) investment,
- (d) costs,
- (e) profits,
- (f) wages,
- (g) salaries and bonuses,
- (h) and, in addition to the foregoing, with respect to such other matters as may appear pertinent to the objects of the inquiry.

The Government, as is stated, requires this information in order that, along with other information already available, it may be enabled to reach sound conclusions "regarding the position of this and other branches of the textile industry in relation to British and foreign competition, and in particular, the extent to which the employer can reasonably and properly be expected to maintain employment over periods of temporary difficulty."

CHAPTER II

THE DEVELOPMENT OF THE TEXTILE INDUSTRY IN CANADA

Before proceeding to a study of the various topics enumerated in the closing of the last chapter, such as tariff protection, etc., it will be well, and even necessary to a complete treatment of the subject-matter of the inquiry, to devote some space to the origin and the growth of the textile industry in this country. This narrative necessitates, among other things, frequent reference to tariff rates and changes, but is not intended to deal finally with the subject of the tariff, which will form the material of a later chapter.

The development of the textile industry in Canada has taken place as a result of the shift from domestic to factory production and the encouragement of manufacturing in Canada under the Protective Tariff. The textile industry in Canada now embraces a number of divisions engaged in the processing of the various textile fibres and producing a diversity of manufactured articles. The industry has developed to supply not only materials for clothing and apparel but also an increasing range of goods for industrial uses. The principal branches of the industry which have been included in this inquiry are cotton yarn and cloth, cotton thread, silk and artificial silk, hosiery and knit goods, woollen yarn and cloth and carpets. The cotton yarn and cloth division is the most important from the viewpoint of the capital investment and workers employed. In 1935, according to the Annual Census of Industry there were 17,554 wage-earners in 35 cotton yarn and cloth mills in Canada. There were almost as many wage-earners in the hosiery and knit goods branch of the industry which includes plants manufacturing silk hosiery, as well as concerns engaged in the production of various kinds of knit goods such as knitted underwear, sweaters, wool and cotton stockings, etc. There were 163 hosiery and knit goods plants in Canada according to the Census of 1935, and these employed 17,012 wage-earners. Figures for silk and artificial silk factories are combined in the Annual Census returns, as there are only two firms engaged in the production of artificial silk yarns, Canadian Celanese Ltd., and Courtaulds (Canada) Ltd. Thirty-three firms with 9,184 workers are included in the 1935 census figures for the silk and artificial silk industry. The woollen yarn and cloth mills in Canada numbered 99 in 1935, and the Census returns show an average of 8,238 wage-earners in that year. In addition to the firms in these branches of the industry, there are also primary textile plants engaged in manufacturing cordage, rope and twine, cotton batting and wadding, cotton jute bags, cotton thread, linen goods, etc. There are also firms which specialize in the dyeing and finishing of grey goods manufactured by the weaving mills in several branches of the industry or imported for finishing. ✕

According to the Census of 1931, 1.4 per cent of the gainfully employed population were attached to the various branches of the primary textile industry. The percentage of males was slightly less than 1 per cent, but 3.6 per cent of the females gainfully employed were occupied in primary textile plants. Of the gainfully employed population in manufacturing establishments, those in the primary textile industry form 8.7 per cent, the proportion of males being 5.9 per cent and of females 21.8 per cent. It will thus be seen that the factories in the primary textile industry are important sources of employment for workers in Canada, and particularly so for female operatives. ✓

On the basis of net value of production, the hosiery and knit goods division of the primary textile industry ranked seventh in 1934, among all manufacturing industries, while the cotton yarn and cloth held ninth place. On the basis of number of wage-earners, however, the cotton yarn and cloth division ranked

third among the manufacturing industries of Canada and the hosiery and knit goods division, fourth. In the following paragraphs the growth of each branch of the textile industry will be traced in relation to the tariff protection which has been afforded.

COTTON YARN AND CLOTH

The cotton manufacturing industry of Canada, like that of the United States, received its initial stimulus largely as a result of disturbances caused by war, but was fully established under a protective tariff. The Napoleonic Wars provided the setting for the large-scale development of cotton manufacturing in the United States, while the American Civil War hindered the flow of cotton goods to Canada and hastened the growth of the Canadian industry. Cotton manufacturing as a machine industry began in the United States in the period 1807-1814, when imports from England were barred from the United States under the Embargo and Non-Intercourse Acts of 1807-09. After the close of the war of 1812, English cotton imports were again admitted to the United States market, but in 1816, a duty of 25 per cent was imposed on foreign cotton goods.

The earliest Canadian cotton mill on record was erected in 1844 in Sherbrooke, Quebec, by a limited liability company with a capital of £12,000. The promoters of this mill had another distinction in that they formed what was the first limited liability company in the manufacturing field in Canada. The mill had a capacity of 1,200 spindles and grey sheetings were manufactured for several years until the plant was burned down. The same fate overtook the second cotton mill which was built at Thorold in 1847. This mill had 15 to 20 looms and manufactured grey sheetings and other plain goods along with cotton batting. Varying financial success was obtained by the operators and finally the factory was destroyed by fire in 1864. A third cotton mill was established in Montreal in 1853 with a capacity of 1,500 spindles and 46 looms for the manufacture of tickings, denims and seamless bags.

The disturbance created in the cotton industry in the United States as a result of the Civil War provided an opportunity for the further development of the cotton manufacturing in Canada. Between 1860 and 1865, four new mills were erected at the following points—Dundas, Merriton and Hastings in Upper Canada, and Saint John, New Brunswick. The mill in Saint John was established in 1861 by Wm. Parks and Son, and, as this plant is still in operation under the ownership of the Cornwall and York Cotton Mills Ltd., it constitutes the oldest existing cotton mill in the Dominion. The total capacity of the five mills operating in 1865 has been estimated at about 40,000 spindles.

On the conclusion of the American Civil War, the Canadian mills found themselves faced with more serious competition and further expansion was delayed for some years. However, in the early seventies the foundation was laid for what were to become the larger cotton manufacturing companies in Canada. The Hudon Cotton mill was established in the Hochelaga district in Montreal in 1873 and later, through the Hochelaga Cotton Company, became the nucleus of the Dominion Cotton Mills Co., which, in turn, was taken over by the Dominion Textile Co. Ltd. In the previous year, 1872, the Canada Cotton Manufacturing Company had built a mill at Cornwall which now forms one of the mills of the Canadian Cottons Limited. In 1874, The Montreal Cottons Co. was organized to build the first mill at Valleyfield, Quebec. The original plant utilized the water power at Valleyfield with the machinery first operated with overhead shaftings connected with a water wheel. Later on, a power house was constructed and electrical energy generated.

The Decennial Census of 1871 records nine cotton mills in Canada, of which two were in the Maritime Provinces, one in Quebec, and six in Ontario. Apparently the Census enumerators reported plants under construction as well as those in actual operation. The number of workers is given for 1870 as 245 males and 480 females with wages amounting to \$129,400 for the year. The net value

of production was placed at \$319,800 and the capital \$632,000. The number of spindles has been estimated at 95,000 compared with 40,000 five years earlier.

It was not, however, until the adoption of the National Policy in 1879 that the rapid development began in cotton manufacturing in Canada. Between 1878 and 1885 seventeen cotton mills were established in Canada, of which six were organized during the year 1882. Between 1880 and 1890, according to the returns of the Decennial Census, the capital invested in the cotton manufacturing industry in Canada increased from \$3,476,500 to \$13,208,121 and the number of employees from 3,529 to 8,502, while the net value of production in 1890 was \$4,243,710 compared with \$1,779,757 a decade before. Ontario, which in 1880 had 47·7 per cent of the employees compared with 42·5 per cent in Quebec and 9·8 per cent in the Maritime Provinces, reported only 29·3 per cent in 1890 compared with 44·6 per cent in Quebec and 26·1 per cent in the Maritime Provinces. It will thus be seen that relatively the most rapid expansion in the cotton manufacturing industry had occurred in the Maritime Provinces, but in actual amounts the greatest development had taken place in Quebec, where capital employed in the industry had been increased from \$1,331,000 in 1880 to \$6,484,000 in 1890. The dominance assumed by the industry in Quebec at this time became greater with the passing years.

The development of cotton manufacturing in Canada is indicated to some extent by imports of raw cotton. In the fiscal year ending June 1871, imports of raw cotton amounted to 2,246,000 pounds. By 1879, the imports had increased to 9,721,000 pounds, but in the following year they rose to over 13,000,000 pounds and by 1883 to almost 40,000,000 pounds. This rapid expansion is also indicated by the records of some of the individual cotton companies. The Hudon Cotton Co. used 1,437,724 pounds of raw cotton in 1877 and almost 3,000,000 pounds in 1880, their production of cotton goods increased from 4,500,000 yards in 1877 to 15,445,000 yards in 1882.

As the majority of the larger cotton cloth mills were started before 1885, it may be of interest to list the mills in existence at that time with their dates of establishment so far as these are known.

Province	Name of Company	Date of Establishment
Maritime Provinces.	(a) Wm. Parks & Son Limited, St. John.....	1861
	(a) St. John Cotton Company, St. John.....	1880 (?)
	(b) St. Croix Cotton Company, Milltown.....	1881
	(a) Moncton Cotton Mfg. Company, Moncton.....	1882
	(c) Nova Scotia Cotton Company, Halifax.....	1882
	(c) Windsor Cotton Company, Windsor, N.S.....	1882
	(b) Gibson Cotton Mill, Marysville.....	1884
	Yarmouth Duck & Yarn Co., Yarmouth.....	1884
Quebec.....	(c) Hudon Cotton Co., Montreal.....	1875
	Montreal Cottons Co., Valleyfield.....	1874
	(c) Coaticook Mills Co., Coaticook.....	1879
	(c) Chambly Cotton Company, Chambly.....	1881
	(c) Merchants Manufacturing Co., Montreal.....	1882
	(c) St. Anne's Spinning Co., Montreal.....	1882
	(c) Magog Textile & Print Co., Magog.....	1884
Ontario.....	(c) Lybster Cotton Manufacturing Co., Merriton.....	1860
	(b) Dundas Cotton Mills, Dundas.....	1861
	(b) Canada Cotton Manufacturing Co., Cornwall.....	1872
	(b) Stormont Cotton Manufacturing Co., Cornwall.....	1879
	(c) Craven Cotton Company, Brantford.....	1880
	Hamilton Cotton Co., Hamilton.....	1880
	(c) Kingston Cotton Manufacturing Co., Kingston.....	1881
	(b) Ontario Cotton Mills, Hamilton.....	1882
	(c) Merriton Cotton Mills, Merriton.....	1884

(a) Now operated by Cornwall & York Cotton Mills Ltd.

(b) Later absorbed by Canadian Cottons Ltd.

(c) Later absorbed by Dominion Textile Co.

This tremendous development in cotton manufacturing had been stimulated by the increase in custom duties on cotton manufactures. The tariff schedule of 1874 provided for duties of $17\frac{1}{2}$ per cent on all cotton manufactures other than yarns, on which the duty was at 10 per cent. The National Policy Tariff of 1879 has been estimated as increasing the duties from $17\frac{1}{2}$ per cent to somewhere between 20 and 30 per cent. According to the Canada Year Book, the duties collected on cotton importations averaged 30 per cent in 1881. The comparison is rendered difficult because of the imposition of the specific duties under the tariff of 1879. The rates on cotton fabrics under the National Policy were set at 15 per cent plus one cent per square yard in the the case of white or grey goods, and 15 per cent plus 2 cents per square yard for coloured goods. The duty on printed cottons not made in Canada was increased to 20 per cent. The advance in the duties on yarns was apparently greater as the rates for coloured yarn were set at 15 per cent plus 3 cents per pound instead of the former rate of 10 per cent and on other yarns at 15 per cent and 2 cents per pound.

The expansion in the capacity of the cotton mills during the early eighties was more than sufficient to meet the domestic demand. The number of spindles was estimated to have increased from approximately 134,000 in 1879 to almost 500,000 in 1885. The Canadian mills tended to concentrate their production on grey fabrics, with the result that they could have supplied the demands of twice the population of Canada at that time and consequently the industry could not operate to capacity.

The extent to which the industry had developed in this brief period is indicated by the following table which is given in the report of the Secretary of the Montreal Board of Trade for 1883. It is probable that the figures which the Secretary gives for 1883 for production and employment represent capacity operations, as the imports of raw cotton for the two fiscal years 1883-1884 averaged only 23,328,000 pounds, as against the total of 38,470,000 pounds given in the Secretary's report. Likewise the number of employees in 1883 is out of line with the increase in the payroll. From 1879 the number of workers probably increased from 2,265 to between 4,500 and 5,000 in 1883.

	Seven Mills in 1879	Twenty Mills in 1883
Total capital employed.....	\$ 2,100,000	\$ 8,500,000
Aggregate quantity of raw material used per annum (lbs.).....	12,800,000	38,470,000
Quantity of cloth produced (yds.).....	38,000,000	115,000,000
Approximate value of annual production.....	\$ 3,745,000	\$ 10,400,000
Number of spindles.....	134,000	472,000
Number of looms.....	2,940	9,950
Number of employees.....	2,265	10,200
Amount of wages paid per annum.....	\$ 556,000	\$ 1,110,000

Although imports of cotton cloth dropped from 47 million yards in 1879 to between 25 and 30 million by 1883 (the largest decline taking place in imports of grey goods) the potential supply, in view of the figures in the above table must have increased from approximately 85 million yards in 1879 to 140 or 145 million yards in the latter year, or more than 60 per cent, although the population is estimated to have increased by only about 200,000 in the same period, the total population being placed at 4,375,000 persons in 1883.

The financial history of the earlier cotton companies was traced by the Commission through the existing minute books. The records of the Hudon Cotton Co., which amalgamated with the St. Anne Spinning Co. to form the Hochelaga Manufacturing Co. in 1885, and the Montreal Cotton Co. show that the period from 1878 to 1883 was one of considerable prosperity. The Hudon Co. paid a dividend of 10 per cent on the Common stock in 1878 and a stock bonus of $33\frac{1}{3}$ per cent in 1880, while cash dividends of 10 per cent were paid

on the enlarged capital in 1881 and 1882. In 1883, while no cash dividends were paid, a Common stock bonus of 100 per cent was given to shareholders on the basis of surplus accumulated to that time. The records of the Montreal Cotton Co. show that dividends of 11 per cent were paid in 1880, 20 per cent in 1881, 14 per cent in 1882 and 9 per cent in 1883.

It was to be expected that a period of such intensive development and marked prosperity for the cotton companies would be followed by a recession, particularly when general business conditions had become depressed after the financial crisis of 1882. The stocks of cotton companies which had been selling at premiums from 25 to 60 per cent in 1881 and 1882 dropped to less than 50 cents on the dollar in 1884 and 1885. The Montreal Cotton Company suspended dividend payments in 1884, 1885 and 1886 and the Hudon Company curtailed operations considerably in 1883 as the following excerpt from the annual meeting of February 15, 1884, relates:—

"Your Directors have the pleasure of laying before you the Eleventh Annual Report of the Company, operations for the year 1883, and before reading the different accounts would state that they are made up to the 31st October being only 10 months' work of the mill. This was done during the stoppage of the works in November which your Directors in the interest of the Mill and the Cotton Trade generally considered in their judgment as the best thing to do in order *that stocks might be reduced and regular prices for the goods maintained*. Consequently the profits are for 10 months only . . ."

The over-capacity for the production of grey cloths was relieved to some extent by the establishment of a print works in connection with the Magog Mills in 1884 and the introduction of bleaching and calico printing in the grey mills. The production of printed cottons was encouraged by the establishment of a separate item in the tariff of 1884 providing for duties of $27\frac{1}{2}$ per cent on this class of goods. The rate was increased to $32\frac{1}{2}$ per cent in 1887.

The market was further relieved, on the completion of the Canadian Pacific Railway, when Canadian mills began to ship grey cottons to China, in competition, strange as it may seem to-day, with Great Britain and the United States. In 1889 a company was organized to erect a mill at Montmorency Falls, Quebec, to produce cotton goods for the China and Africa markets. Over 5 million yards of cottons were shipped over the C.P.R. in 1887 and substantial quantities were exported by this route until the beginning of the present century, when the disturbance created by the Boxer Rebellion and the growing competition in the China market, together with the increasing demand at home, led Canadian mills to abandon the trade.

The period of depression was short-lived for the larger cotton companies. The Montreal Cotton Co. resumed dividend payments at 8 per cent in 1887 and for the next four years dividends of 6 per cent were paid, increasing to $6\frac{1}{2}$ per cent in 1892 and 8 per cent in 1893. The Hochelaga Cotton Co., which, on the amalgamation of the two predecessor companies, had 1,800 looms and 92,700 spindles (approximately one-fifth of the machine capacity of Canadian mills), declared a dividend of 6 per cent in 1885, and the records show dividends of 10 per cent in the three years following. Shares of cotton companies made substantial recovery in 1886 and in 1887 the stock of the Montreal and Hochelaga companies was again at a premium.

There is some suggestion that the export of grey goods to the China market was, to some extent, a co-operative venture by Canadian mills to relieve the domestic market. At all events the minutes of the Hochelaga Cotton Co. of February 16, 1887, reveal that steps had been taken to form an association to stabilize conditions.

"During the year an association called the Dominion Cotton Manufacturers Association was formed, *for the purpose of maintaining prices as far as possible to a uniform standard, to which with one exception all the mills in the country gave their adhesion*. So far the

Association has worked admirably and there is every prospect of it continuing to do so in the future and will exercise a very beneficial effect on all the cotton industries of the Country."

More definite steps were soon to be taken to bring production under more centralized control. In 1889 agents for certain English financial interests put forth proposals for amalgamating all the grey mills in Canada and New York financiers also displayed some interest. The organization of the merger was, however, undertaken in 1890 by Messrs. A. F. Gault and David Morrice, who were interested in both manufacturing and merchandising. Mr. A. F. Gault was, for a considerable period, president of the Hochelaga Cotton Co., the Montreal Cotton Company, the Montmorency Company and later the Dominion Cotton Mills and the Canadian Coloured Cottons.

The scheme of the merger provided for the creation of a new company, the Dominion Cotton Mills Company Ltd., which would take over the three mills of the Hochelaga Company, (the Magog Company was purchased in 1889), in exchange for share for share of stock, and purchase the following mills:—

Windsor Cotton Mfg. Co., Windsor, N.S.
 Nova Scotia Cotton Mfg. Co., Halifax, N.S.
 Moncton Cotton Mfg. Co., Moncton, N.B.
 Chambly Cotton Co., Chambly, Que.
 Coaticook Cotton Co., Coaticook, Que.
 Craven Cotton Mfg. Co., Brantford, Ont.
 Kingston Cotton Mfg. Co., Kingston, Ont.

All the above mills except the Chambly Mill were taken over late in 1890, while the Chambly Company and a small firm, the Slater-Wincey Company, were purchased in 1891.

Mr. A. F. Gault and his associates then turned their attention to amalgamating the remaining cotton companies. In 1892 the Canadian Coloured Cottons Ltd. was formed to take over the following companies:—

Canada Cotton Mfg. Co., Cornwall, Ont.
 Stormont Cotton Mfg. Co., Cornwall, Ont.
 Dundas Cotton Mills, Dundas, Ont.
 Ontario Cotton Mills Co., Hamilton, Ont.
 Lybster Cotton Mfg. Co., Merriton, Ont.
 Merriton Cotton Mills Co., Merriton, Ont.
 St. Croix Cotton Mills, Milltown, N.B.

The shares of the Canada Cotton Company and the Stormont Company were quoted at 50 cents on the dollar in 1891, and the shares of the Dundas Company had dropped to less than 40 in 1890 and were not quoted thereafter.

The two mergers thus controlled 19 of the 26 cotton mills in Canada in 1892 and approximately 70 per cent of the machine equipment. The Dominion Cotton Mills Company was the larger with about 40 per cent of the spindles and 38 per cent of the looms. The Canadian Coloured Cotton Mills had roughly 30 per cent of the spindles and 32 per cent of the looms. The only important companies remaining outside the amalgamations were the Merchants Manufacturing Co., the Montmorency Cotton Co. and the Montreal Cotton Co.

The two amalgamations appear to have been planned to bring mills producing similar lines under one control. Thus the Dominion Cotton Mills concentrated on the production of unbleached, bleached and printed goods, while the Canadian Coloured Cottons, as the name suggests, became the principal manufacturer of raw stock or yarn-dyed fabrics. Gingham which is now seldom in fashion was one of the staple style lines produced by this company and the falling demand in later years for this cloth had a serious effect on the operations of the Milltown mill of the company. The Montreal Cotton Co., which remained

outside the mergers, also attempted to eliminate, as far as possible, domestic competition for those lines in which it specialized. The following item appears in the minutes of this company for the annual meeting in 1893:—

“During the early part of the year arrangements were made with the Canadian Coloured Cotton Mills Company to abandon that part of their manufacture which most directly interfered with our work, and, in the opinion of your directors, a very satisfactory arrangement was negotiated, which gives this company the absolute control of all goods of this class at present manufactured in the Dominion.”

It is stated later in the minutes that the sum of \$30,000 had been paid to the Canadian Coloured Cotton Mill Company “for machinery and good will.”

In 1891 and 1892 general prosperity prevailed and the two mergers showed profitable operations. In 1892 the Dominion Cotton Mills doubled its share capital by issuing additional stock to shareholders for only 10 per cent in cash and paid dividends of 6 per cent on the enlarged capital in 1893. At the annual meeting in April, 1893, it was stated that the preceding year had been one of the best in the company's history. The Canadian Coloured Cottons was content to increase its surplus and pay dividends at the rate of 2 to 4 per cent, but inasmuch as it was not possible to determine the basis on which the common stock had been issued at the time of the merger, the rate of return on actual investment remains unsettled. The Montreal Cotton Company continued its prosperous career with dividends ranging from 7 to 9 per cent per annum.

No new mills were established until 1900 and during the decade following the mergers all the mills in Merriton, Dundas, Brantford, Chambly and Coaticook were closed and after the turn of the century the mills in Moncton and Windsor were abandoned. The equipment from the Dundas Mill was moved to Cornwall where the Canadian Coloured Cotton Mills converted an old woollen plant into what has since been called their Dundas Mill. The decline in the number of mills did not result in lower manufacturing capacity as the equipment in the remaining plants was increased.

In addition to the reference to the prosperity of the industry, the minutes of the Dominion Cotton Mills for 1893 contain the following comment on the tariff:—

“You will have noticed that there had been considerable agitation from some time past in and out of Parliament with regard to a revision of tariff. . . . There will doubtless be some change in the tariff, but whatever be the result we think and believe this company will always be in a position to earn a good respectable dividend.”

This forecast was borne out by the budget of 1894 which reduced the duties on cotton goods. Specific duties were abolished and the following rates were established:—

	Per Cent
Cotton Yarns and Warps.	25
Grey Cotton Fabrics.	22½
White or Bleached Fabrics.	25
Dyed or Coloured.	30

Again it is difficult to determine the extent of the change from compound (*ad valorem* and specific) to *ad valorem* rates, except in the case of coloured goods on which the previous rates had been 32½ per cent. According to the records of the Dominion Cotton Mills the Tariff of 1894 was 5 per cent less on many of the goods produced by the company than a committee of the management had tried to secure. So it may be presumed that duties had been reduced from 5 to 10 per cent at least.

In 1897, the policy of granting a general preference on British imports was adopted by Canada when a discount of one-eighth was allowed on the general tariff rates. The preference was increased to one-quarter in the following year and to one-third in 1900. As the United Kingdom had entered into treaties with the German Zollverein in 1865 and with Belgium in 1862, under which the Colonies were bound to accord to these countries any tariff advantages given to the United Kingdom, the preferential rates were extended to these two countries.

A number of other countries enjoying most-favoured-nation treatment in Canada automatically received the benefits of the concessions once they were extended to Germany and Belgium. France and her Colonies also enjoyed the benefits of the preference by reasons of the Franco-Canadian Treaty of 1893 which provided that France should enjoy any tariff advantage granted to any other foreign power.

This situation prevailed only until 1898 when the denunciation by the United Kingdom of the German and Belgian trade treaties left Canada free to confine the preference to British imports.

The general tariff rates on grey and coloured cotton fabrics were, however, increased under the tariff of 1897. The following table shows the effective duty rates during the period.

	Preferential Tariff			General Tariff		
	1897	1898	1900	1894	1897	1900
	%	%	%	%	%	%
Yarns and warps.....	21 $\frac{1}{2}$	18 $\frac{3}{4}$	16 $\frac{3}{4}$	25	25	25
Grey or unbleached fabrics.....	21 $\frac{1}{2}$	18 $\frac{3}{4}$	16 $\frac{3}{4}$	22 $\frac{1}{2}$	25	25
White or bleached fabrics.....	21 $\frac{1}{2}$	18 $\frac{3}{4}$	16 $\frac{3}{4}$	25	25	25
Coloured fabrics.....	30 $\frac{1}{2}$	26 $\frac{1}{2}$	23 $\frac{1}{2}$	30	35	35

Although continued reference is found in the minutes of the cotton companies to the detrimental effects of the preferential tariff, the records of the various companies show that the last years of the century were very profitable. The sales of the Montreal Cotton Company increased from \$1,000,000 in 1892 to \$1,700,000 in 1899 while those of the Dominion Cotton Mills, which had declined in 1895, increased greatly in the following years as did those of the Canadian Coloured Cotton Mills. The net value of production as reported by the Census of 1900 was \$6,200,000 as compared with \$4,244,000 in 1890, an increase of 46 per cent. The number of workers also increased from 8,500 in 1890 to 11,800 in 1900.

The growing prosperity of the industry in the late nineties led to further expansion of manufacturing capacity. The Montreal Cotton Company built a new mill at Valleyfield in 1899 and the Dominion Cotton Mills enlarged its plants at Magog, Montreal and other points. The Montreal Cotton Company professed that its enlarged equipment was for the manufacture of goods not hitherto produced in Canada. But the Dominion Cotton Mills found growing competition from the Merchants Cotton Company and the Colonial Bleaching and Printing Company, the latter having been started in 1899. In September, 1903, a meeting of the representatives of the three companies was called "with a view to bringing about a better relationship between the three companies who are now competing with one another." A proposal was later made for amalgamating the three companies, but the shareholders of the Merchants Company and the Colonial Bleaching and Printing Company apparently sought too high a price for their shares from the viewpoint of the directors of the Dominion Cotton Mills. Finally, in 1905, a syndicate organized the Dominion Textile Company to take over the properties of the following companies:—

Dominion Cotton Mills Co. Ltd.

Merchants Cotton Company Ltd.

Colonial Printing and Bleaching Co. Ltd.

Montmorency Cotton Mills Company Ltd.

The new company thus controlled about 8,300 looms and 370,000 spindles, or practically half the equipment in the industry. The syndicate had attempted to include the Montreal Cotton Company in the merger but the shareholders accepted the advice of their president not to sell out to the syndicate.

In the first decade of the present century a few new cotton mills were established. The Imperial Cotton Company had erected a plant in Hamilton in 1900 chiefly for the manufacture of specialty goods for industrial purposes and in 1906 the Mount Royal Spinning Co. Ltd. was organized to build a mill in Montreal. Mr. C. R. Whitehead, who had previously been connected with the Dominion Cotton Mills Company, was the principal promoter of the Wabasso Cotton Company which commenced the construction of mills in Three Rivers, Quebec, in 1907. This plant was intended to produce fine cotton goods which were then being imported. Two years later Mr. Whitehead was again active in developing a spinning company, the Shawinigan Cotton Company, at Shawinigan Falls, Quebec. In 1910, the Canadian Coloured Cotton Mills Ltd. changed its name to the Canadian Cottons Limited and took over the Gibson Cotton Mill in Marysville, N.B. and the Mount Royal Spinning Company. The plant of the latter was immediately leased to the Dominion Textile Company and eventually purchased by that concern.

Between 1900 and 1910 the net value of cotton manufacturing increased from \$6,200,000 to \$10,605,000, but the number of employees advanced only from 11,800 to 12,900. Production had become more concentrated in the province of Quebec as the Dominion Cotton Mills and later the Dominion Textile Company abandoned outlying plants. In 1910 the Quebec cotton mills accounted for 63 per cent of the workers and 66 per cent of the net value of production, while plants in Ontario had 18 per cent of the workers and of the net value of production. The proportions for the Maritime Provinces were 19 per cent and 15.7 per cent for workers and production respectively.

A new Canadian Customs Tariff was adopted on April 12, 1907, containing three columns of duties, British Preferential, Intermediate and General. This tariff, with amendments, is still in operation.

The tariff revision of 1907 reduced the British Preferential rates on some cotton items but increased them on others. The duty on grey goods became 15 per cent instead of $16\frac{2}{3}$ per cent, but on bleached goods the rate was advanced to $17\frac{1}{2}$ per cent from $16\frac{2}{3}$ per cent and on coloured goods to 25 per cent from $23\frac{1}{4}$ per cent. The new Intermediate Tariff gave rates of $22\frac{1}{2}$ per cent on grey and bleached goods and 30 per cent on coloured fabrics. The General Tariff rate on the latter item was reduced to $32\frac{1}{2}$ per cent from the level of 35 per cent previously prevailing.

No further changes were made in the tariff rates on the major cotton items until the post-war period except for special war duties. The changes in 1907 occurred at a time of business depression and the cotton companies were inclined to blame the tariff for some of their difficulties. The following comment appears in the minute book of the Dominion Textile Co. recording the annual meeting of shareholders on May 27, 1908:—

"The Company has enjoyed several prosperous years since its organization without feeling the effect of foreign competition, owing to the good times prevailing abroad which kept all the mills busy supplying their own requirements. At the present time, however, owing to the business depression which set in last fall, and the very low tariff on cotton importations from Great Britain, which is only 15 per cent on greys and $17\frac{1}{2}$ per cent on bleached goods compared with duties ranging from 40 to 50 per cent in the United States, we are beginning to feel the effect of this competition and it has necessitated our being compelled to operate the mills on short time and also to reduce wages."

The temporary lull in the cotton business was soon passed and the Canadian companies greatly increased their production. Again, imports of raw cotton tend to show the movement. Imports rose from some 50 million pounds in 1900-01 to more than 77 million pounds in the fiscal year ending March, 1913. It should be mentioned, however, that the demands for industrial cotton goods and for the knitting trades were increasing in this period. The general expansion in Canadian industry and agriculture during the first part of the present century

provided growing markets for cotton goods. In spite of growing domestic production, imports of grey and bleached fabrics, which had declined from 6,500,000 yards in 1880 to 1,200,000 yards in 1890, now began to increase, mainly from the United Kingdom. In 1900 the imports of grey cotton goods were 3,100,000 yards and bleached goods 6,145,000 yards. In 1913, the imports of grey goods were 16,472,000 yards and bleached goods almost 34,000,000 yards, and, in addition, 4,000,000 yards of heavy cotton such as ducks, were imported. Imports of dyed or coloured goods, which amounted to more than 33,000,000 yards in 1879, had declined to 25,000,000 yards by 1890 but, by 1913, had increased to 71,000,000 yards.

The number of employees in the Canadian cotton yarn and cloth mills increased during this period from 12,863 in 1910 to 14,335 in 1915. Most of the expansion, however, occurred in the Provinces of Quebec and Ontario as the number of workers in the Maritime Provinces was practically the same in both years. Only two new mills were started during this period; one, the Empire Cottons at Welland, and the other the Canadian Connecticut Company at Sherbrooke, Quebec, for the manufacture of tire fabrics.

The period of the war brought great prosperity to the Canadian cotton mills as they were called upon not only to supply the Canadian market but also to undertake war contracts for the United States. Between 1915 and 1920, the number of employees increased about 23 per cent, and the consumption of raw cotton rose to 96,471,550 pounds for the fiscal year ending 1920 compared with 77,000,000 pounds in 1913. Although considerable difficulty was experienced in securing new equipment during the war years, some expansion occurred in the machine capacity in the Canadian industry. The increased demand during this period, however, was largely met by the operation of mills on what practically amounted to a 24-hour basis.

The principal developments since the war have been the development of specialty plants of various kinds. The rapid increase in the manufacture of rubber tires led to the establishment of additional tire fabric plants. As has already been mentioned, a plant had been built in Sherbrooke shortly before the war. Branches of United States firms were established in Drummondville in 1921 and St. Hyacinthe in 1926. The latter was purchased by the Goodyear Rubber Company while the Dominion Textile Company purchased the Sherbrooke and Drummondville plants in 1929. As some of the tire companies commenced to produce tire fabrics in their own fabric plants, the Dominion Textile Co. abandoned the manufacture of tire fabrics at Sherbrooke in 1931.

The Halifax mill of the Dominion Textile Company was destroyed by fire in 1917 and not re-built, but the Company built a new mill in Verdun in 1920. This proved one of the shortest-lived of the cotton mills, being abandoned as a manufacturing plant in 1935 when the equipment was transferred to Sherbrooke. The Kingston mill had been closed in 1929 and the Ste. Anne plant in 1934. The apparent policy of this company in recent years has been to build up the mills at Montmorency Falls, Magog and Sherbrooke.

The 35 cotton yarn and cloth plants reported in the Census of Industry, 1935, may be classified as follows:—

Spinning Mills	6
Yarn and Cloth Mills	22
Tire Fabric Mills	2
Bleaching Mills	1
Specialty Mills	4
	<hr/>
	35

The development of the cotton industry in Canada has proceeded along different lines to those followed in either the United Kingdom or the United States. In the United Kingdom the spinning, weaving and finishing divisions have been developed separately and firms tend to specialize on manufacturing

yarns, weaving grey goods or finishing cloths. In the United States spinning and weaving have been integrated to a larger extent than in Great Britain, but the finishing of the cloths is largely in the hands of converters. In Canada, almost from the beginning, the larger companies have tended to engage in all processes of manufacture although separate units have been established for the various processes.

The following table indicates the growth of the industry from the earliest stages to the present day. The shift from mule to ring spindles and from non-automatic to automatic looms, which represent higher productive capacity per unit than the older types, should be noted.

1. DEVELOPMENT OF COTTON YARN AND CLOTH INDUSTRY—1860-1935

Year	Imports of raw cotton*	Number of mills	Number of hands	Number of spindles in place			Number of looms in place		
				Mule	Ring	Total	Non Auto-matic	Auto-matic	Total
	(000) Lb.								
1860.....		1	70			1,500			46
1865.....		5				40,000			
1871.....	1,974	8	745			95,000			
1879.....	11,479	7	2,265			134,000			2,940
1883.....	23,328	20	5,000			472,000			9,950
1890.....	34,550	22	8,502			520,000			11,300
1900.....	51,989	20	11,883			648,000			15,431
1910(a).....	74,673	26	12,863			832,000			19,207
1915(b).....	85,000	20	14,335	366,377	625,110	991,487	10,240	9,328	19,970
1920.....	97,552	31	17,624	325,495	720,994	1,046,489	7,980	13,508	21,488
1925.....	114,720	37	19,980						
1930(c).....	107,034	33	16,492	180,086	1,049,489	1,229,575	5,044	20,043	25,087
1935(d).....	137,291	35	17,554	45,354	1,049,576	1,094,930	930	21,755	22,685

* Average of adjoining fiscal years.

(a) Equipment figures for 1907.

(b) Equipment figures for 1914.

(c) Equipment figures for 1929.

(d) Equipment figures for 1937.

The post-war period has seen some important changes in the cotton trade in Canada, both in regard to the competitive position of the manufacturing companies and in the demand for fabrics. The specialization of the various companies, already referred to, remained substantially the same until the close of the war. The Canadian Cottons Ltd., as to-day, remained the principal manufacturer of stock-dyed and yarn-dyed fabrics, and the Montreal Cottons Ltd. continued as the chief producer of piece-dyed fabrics, except that the Wabasso Cotton Company Ltd. produced goods made with fine yarns. The Dominion Textile Company was the leading manufacturer of unbleached, bleached and printed goods. The disappearance of substantial demand for some of the older staple fabrics, such as gingham among the yarn-dyed fabrics, and bleached cambrics and longcloths formerly used in ladies' white underwear and petticoats, has caused the Canadian mills to develop new lines of production for which the same degree of specialization as existed formerly has not been maintained and, in addition, independent converting plants now purchase grey cloths and produce finished goods in competition with the integrated companies. It is said that at one time the basic grey cloths used for printing purposes could be counted on one's fingers, but these few lines sufficed for the limited range of drills, ducks, dress goods and shirtings then being produced in a small range of patterns and colours. At the present time one leading manufacturer produces over seventy-five different grey cloths for the print works and many more varieties are stocked or made as the demand arises.

The introduction of rayon fabrics has provided growing competition for goods made from the natural fibres, but in this case the new field of manufacturing has been entered by both silk and cotton weaving companies, as well as by one of the producers of rayon yarn in Canada.

THE WOOLLEN INDUSTRY

The manufacture of woollen goods in Canada has considerable antiquity as the production of "home-spun" cloth and flannels had been carried on from the early days of settlement. Woollen manufacturing remained a domestic handicraft industry until well into the nineteenth century. The spinning and weaving in the farm houses was aided by the introduction of small custom carding plants generally operated in connection with a grist mill or saw-mill and often utilizing water power.

The introduction of the factory system of manufacturing took place in the 40's and 50's of the last century. Looms utilizing water power had been introduced about the time of the Rebellion of 1837. James Rosamond started a woollen mill in Carleton Place in 1845, which he moved to Almonte in 1857, where the business is still being carried on. In 1866, Mr. Andrew Paton, who had started a woollen mill in Galt twelve years previously, started a factory at Sherbrooke, Quebec, which later became one of the largest woollen mills in Canada.

The abrogation of the Reciprocity Treaty in 1866, which resulted in the imposition of duties by the United States on Canadian wool, gave considerable stimulus to the industry. The following comment appears in the Annual Report of the Chief Agent for Immigration, 1866:—

"... Another and most important element of our prosperity is the extensive erection of woollen factories. There is little doubt that the impulse to these is mainly owing to the high protective duty imposed by the American Legislature on Canadian wool in its raw state. The home market for this article is large, and will remain so for many years, and cannot fail to furnish a large increase of employment, both on the farm and in the factory, thus producing labour for the operative and the agricultural workman."

The Census of 1871 recorded 270 establishments engaged in the manufacture of wool cloth. These employed 4,443 workers and paid \$917,827 in wages during the year. The net value of production was \$2,290,000, of which \$1,883,000 were reported by the 233 mills in Ontario. The production of home-spun cloth was still an important item although the factory product was beginning to supplant the domestic article. In 1851 the production of hand looms was recorded as 6,516,000 yards, while in 1871 the total was placed at 7,642,000 yards, not including the Prairies or Prince Edward Island. By 1891 the total for all provinces was only 4,321,000 yards, of which more than half was produced in Quebec.

With the inauguration of the National Policy, in 1879, came the development of larger mills and the gradual disappearance of the custom carding and fulling mills and the custom weaving and small one-set mills. The tariff on woollen goods prior to 1879 had been the general rate of 17½ per cent which was changed on the adoption of the National Policy to 20 per cent and 7½ cents per pound, which meant a doubling in the rate of duty. Between 1870 and 1890 the number of mills increased from 270 to 377 and the number of wage-earners from 4,443 to 6,956, while the net value of production was \$4,000,000 compared with \$2,290,000 in 1870.

The progress of industry under the National Policy was examined by investigators appointed by the Government and the results of the inquiry were

presented in a report to Parliament in 1885. The report stated that of 54 woollen mills from which information was obtained, 19 had been started after 1879, and these were employing 1,138 persons. The 35 mills which had been operating prior to the introduction of the National Policy had also increased employment. In the Jubilee Edition (June 1933) of the *Canadian Textile Journal* the nature of woollen manufacturing at this time is described in the following manner by Mr. George A. Matheson:—

“At that time very little foreign wool was handled and their business was practically confined to all domestic wool. Much more wool was grown in Ontario at that time, almost every farmer having a few sheep, the wool being used for clothing for the family and supplying the household with blankets, etc. The small woollen mills scattered all over the country handled the wool grown from the farmer mostly in trade for goods made in the mill, such as blankets, stocking yarn, grey flannel, coarse tweeds, etc. Many of these mills did an extensive trade in custom roll carding for home spinning.”

In 1885, a new tariff item covering woollen fabrics, n.o.p., was introduced. This, apparently, covered light-weight fabrics such as dress goods. The duty on this class of fabrics was set at $22\frac{1}{2}$ per cent, but in 1887 provision was made for a further classification on the basis of value with the duty ranging from $22\frac{1}{2}$ per cent on fabrics costing 10 cents per yard or less to $27\frac{1}{2}$ per cent on fabrics costing 14 cents per yard or more. These prices show that the goods were of extremely light weight. In 1890, the rate of duty on the general item covering blankets, flannels, etc., was changed to 20 per cent and 10 cents per pound or an addition of $2\frac{1}{2}$ cents per pound in the specific duty. In 1894, the rate was again changed to 25 per cent plus 5 cents per pound and the duty on light weight fabrics imported to be finished in Canada at $22\frac{1}{2}$ per cent, while on other fabrics the rate was set at 30 per cent.

The decade prior to the introduction of the British Preference is now looked upon as the heyday of woollen manufacturing in Canada. In 1897 the General Tariff was set at 35 per cent on all fabrics except the light weight grey goods on which the duty was advanced from $22\frac{1}{2}$ to 25 per cent. The effective duty with the one-eighth British Preference was $30\frac{5}{8}$ per cent on the general items. This became $26\frac{1}{4}$ per cent in 1898 and $23\frac{1}{4}$ per cent in 1900. The aggregate production of Canadian mills has been placed at almost 14 million yards for 1899 and ten years later this had diminished to 7,616,000 yards according to the Canada Year Book, 1922-23. It is difficult to believe that the tariff reduction was solely responsible for the decline in woollen manufacturing in Canada from 1900 onwards, especially when the increase in the Preferential rate of duty to 30 per cent in 1904 did not serve to check the decline in the industry. The changing nature of the wool trade and the increasing specialization in Great Britain, with the consequent production of finer fabrics, undoubtedly affected the position of the Canadian industry. From now on Canadian mills were forced to import a considerable proportion of their raw materials in order to secure the advantages of the finer wools. The growing urbanization of the Dominion, with the development of large scale merchandising firms and the rise of the clothing trades, undoubtedly contributed to the supplanting of Canadian woollen and worsted goods by imported fabrics. Local manufacturers serving rural communities with staple lines of fabrics found themselves handicapped in the face of the growing demand for a wide variety of patterns and styles of cloth. The British manufacturers, serving a large market, could more efficiently meet the demands for variety than could the small Canadian mills. At all events, by 1910, there were only 87 wool cloth manufacturing establishments reported in the census with 4,263 employees as against 377 mills with 6,956 employees in 1890. The decline in Canadian manufacturing led to various attempts to stabilize the industry. In 1900 the Canada Woollen Mills Co. was organized to take over five woollen plants. But this merger failed in 1904 and

four of the five mills ceased operations. The following table gives the significant figures for the Canadian wool cloth mills in the pre-war period:—

Year	Number of mills	Capital	Wage earners	Wages	Net value of production
		\$		\$	\$
1870.....	270	2,776,814	4,443	917,827	2,290,481
1890.....	377	9,357,758	6,956	1,884,483	4,050,104
1900.....	154	10,486,198	6,170	1,724,333	3,560,239
1910.....	87	7,567,761	4,263	1,374,898	2,584,760
1915.....	52	8,479,492	3,534	1,393,914	3,430,220

NOTE.—In 1910 the Census classification was changed to firms employing more than 5 persons. The comparable figure for number of mills in 1890 is 213, but no significant changes are made in the other statistics by reason of the exclusion of small establishments.

The period of the war brought renewed prosperity to the Canadian wool cloth industry as mills were called upon to supply not only the demand of the civilian population, but also part of the military requirements. The number of mills increased from 52 in 1915 to 66 in 1920, and the number of workers from 3,534 to 5,235 in the same period. The war-time expansion was not maintained after the return to normal trade conditions. Mills in the United Kingdom, which had been largely engaged on war orders and the delayed demand in the immediate post-war boom, again turned their attention to their former export markets. In 1922 the duty on woollen and worsted fabrics was reduced from 30 per cent to 27½ per cent under the British Preference and in the following year the discount of 10 per cent on direct shipments under the British Preferential Tariff became operative.

Imports of wool fabrics, although advancing over the low levels of the war years, were considerably below the volume entering in the pre-war period. Exports of woollen and worsted tissues from the United Kingdom to Canada averaged 35,450,000 square yards in the five years preceding the war, whereas in the period from 1922 to 1926 the average was only 27,546,000 square yards, a decline of 22 per cent. The use of wool in women's clothing had probably declined in comparison with pre-war years due to the increased use of silk and other lighter materials, and the changes in styles of clothing. While the growing demand for industrial fabrics served partially to offset curtailment in other directions, the number of Canadian woollen and worsted mills declined from 66 to 1920 to 57 in 1925 and 46 in 1930.

The number of workers also decreased so that by 1930 there were 3,560 compared with 5,235 in 1920. In spite of the general decline in the industry during the decade, some mills operated successfully and the prospects seemed sufficiently bright in 1928 to lead to the merging of the Canadian Woollens Limited with the R. Forbes Company Limited, of Hespeler, Ontario, to form the Dominion Woollens and Worsteds Ltd. The Canadian Woollens Ltd., had been formed in 1919 to take over the Auburn Woollen Mills and the Bonner Worth Company (worsted spinners), Peterborough, and the Standard Woollen Mills, Toronto.

The increased protection granted the woollen industry in September, 1930, led to a revival in wool cloth manufacturing. Mills were re-opened and existing plants enlarged with a considerable expansion in employment and production. The following table indicates these changes in the industry in the post-war period:—

Year	Number of mills	Wage earners	Wages	Net value of production
			\$	\$
1920.....	66	5,235	4,604,483	13,298,152
1925.....	57	4,168	3,227,369	6,084,115
1930.....	46	3,560	2,681,823	5,743,742
1935.....	65	5,818	4,126,079	9,000,969
1936.....	60	5,947	4,372,159	9,943,521

HOSIERY AND KNIT GOODS

In contrast to the fluctuating fortunes of the wool cloth industry, the hosiery and knit goods branch has shown continued expansion during the present century. Power knitting machines were first installed in a factory at Ancaster, Ontario, in 1858, although a mill with hand machines had been started in Belleville in the preceding year. The first important development came with the manufacture of knitted woollen goods such as underwear and stockings. The Penman firm which is now the largest manufacturer of knit goods in Canada, began operations as a partnership in Paris, Ontario, in 1868, and a number of other knitting concerns, which are still in existence, had their start in the period from 1860 to 1890. Circular knitting frames were first used in a mill in Toronto in 1865 by Joseph Simpson, the founder of the firm of Joseph Simpson Sons, Ltd. Full fashioned underwear was first made in Galt about the same time by R. Turnbull, who established the business now carried on by C. Turnbull & Co.

The early census records are of somewhat doubtful value for the knitting trades owing to the large number of extremely small plants which came into operation from time to time, and the variation in the methods of recording establishments. According to the Census of 1890 there were 15 hosiery mills and 31 knitting plants employing more than 5 persons. These 46 factories had 1,699 workers and produced goods to the value of \$1,703,785. By 1900 the number of factories had increased to 52 and the number of workers to 3,458. The manufacturing remained largely an Ontario industry as 39 plants were located in that province with a gross production of \$3,272,589 out of a total of \$3,852,069 in 1900.

It was stated in the parliamentary report of 1885, already referred to, that the protective tariff had had a stimulating effect on the industry. The tariff on knit goods and hosiery adopted in 1879 was based on the component material. The duties on cotton knitted goods were established at 30 per cent, and on wool knit goods including hosiery at 20 per cent and $7\frac{1}{2}$ cents per pound or the same rate as on other wool manufactures. In 1883 the duties on wool knit goods were advanced to 25 per cent and 10 cents per pound but no change was made on cotton knitted goods until 1887, when the rate was advanced to 35 per cent.

In the report on the National Policy already mentioned, it is reported that the government investigators secured information in 1884 from 20 knitting mills, 10 of which had commenced operations since 1879. The number of employees in these plants had increased from 611 in 1878 to 1,743 in 1884, and the gross value of production from \$579,500 to \$1,753,500. The report contains the following comment on the Canadian market at that time.

"Before the change in the fiscal policy these goods were largely imported from Great Britain, but advantage was soon taken of the opportunity given to make these articles in Canada, and a wonderful increase in the output here was the immediate result. The importations were soon stopped, and it took but a short time to ascertain that the production had gone beyond the consuming power of the people. The usual result followed, prices were cut down to below a paying figure, and the output was curtailed to a considerable extent.

Had it not been for the market, which, fortunately at that time, was opened in the North West, the result must have been a much more serious one for those engaged in this branch of manufacture. But largely owing to this cause the crisis which seemed imminent was averted and, considering the difficulties in which the trade found itself, the number who failed to weather the storm was exceedingly small. Although not yet in a thoroughly healthy condition, the prospects are beginning to brighten, some few lines not hitherto made in Canada are being started, and with careful management at this juncture a better state of affairs will undoubtedly soon be reached."

In 1894 there was a general revision of the rates on knitted goods and hosiery. A separate item was established for wool hosiery with duties of 35 per cent and 10 cents per dozen pairs while other wool knit goods became dutiable at 35 per cent and cotton knit goods at 32½ per cent. This was a reduction in the rate on cotton goods, and probably on woollen lines, but the changes in the kinds of rates make comparisons difficult. In 1897 a general rate of 35 per cent was established for knitted goods, including cotton and wool hosiery and knit goods. The British Preferential rate became 30⅝ per cent in 1897, 26¼ per cent in 1898 and 23½ per cent in 1900 as the margin of preference was increased. The general revision of the tariff in 1907 again divided hosiery and knitted goods. The rates were then set as below:—

	1907 tariff			Previous rates	
	B.P.	Int.	Gen.	B.P.	Gen.
	%	%	%	%	%
Hosiery.....	25	32½	35	23½	35
Knit Goods.....	22½	30	35		

Between 1900 and 1910 the knitting trades showed considerable expansion. A number of the wool cloth mills which had been closed were re-opened as knitting plants. New knitting firms were established and the older firms enlarged their plants. This was the period of the reorganization of the Penman firm which by 1902 was operating plants in Paris, Thorold, Port Dover, and Coaticook. The Monarch Knitting Company, some of the predecessors of the York Knitting Mills and the Chipman-Holton Knitting Company were among the larger firms which were started in the first decade of the century.

The number of employees increased about 4,000 between 1900 and 1910, and the gross value of production advanced almost 250 per cent. The next few years constituted a period of adjustment after this rapid growth but with the onset of the war the industry entered a further period of rapid development. Silk hosiery was coming into popular demand and plants were established by United States as well as Canadian interests to serve the growing market. The greatest stimulus came, however, from the war demands for knitted goods. Employment, which showed a slight decline in 1915 from the 1910 level, advanced to 11,479 in 1917 compared with slightly less than 8,000 in 1910. The census of 1920 recorded 128 hosiery and knitting plants as against 68 a decade earlier. The number of workers had increased to over 13,000 and the gross value of production was \$56,736,545 compared with \$13,393,854 in 1910 but, of course, a considerable part of this increase was due to the advance in prices. Quebec had now become an important manufacturing province for knit goods, accounting for 16 per cent of the number of workers while Ontario had 76·6 per cent.

While there was some recession during the early twenties the trend was soon reversed. The demand for the products of the industry grew as outer knitted

garments became increasingly popular and silk hosiery became an accepted article of ladies' apparel. The number of mills recorded in the Census of Industry was 158 in 1930 and 163 in 1935. Between 1925 and 1930 the number of workers increased 27·7 per cent and the net value of production 35·1 per cent. Quebec assumed greater importance as a manufacturer of knitted goods with almost one-quarter of the employees in 1930 and more than 30 per cent in 1935. The proportions for Ontario, on the other hand, declined from 74·5 per cent of the workers in 1925 to 62·5 per cent in 1935 although there was an increase in the actual number of employees.

SILK AND RAYON INDUSTRY

Silk manufacturing in Canada until the post-war period was restricted almost entirely to the production of sewing threads, silk twists, ribbons, braids, etc. The first spinning mill was established in Montreal in 1876 by Belding, Paul and Company as a branch of Belding Bros. and Co. of New York. In 1885 the Canadian branch absorbed the plant of the Corriveau Silk Mills in St. Johns, Quebec, which had first engaged in manufacturing in Montreal in 1883 but had failed in 1884. Another United States branch, the Corticelli Silk Company, was established in St. Johns in 1885 by the Nonotuck Silk Co. for the manufacture of sewing silks. These three plants constituted the silk industry of Canada until almost the outbreak of the World War. In 1911 the firm of Belding-Corticelli Ltd. was organized to take over the plants of Belding, Paul & Co. Ltd., Corticelli & Co. Ltd., Cascade Narrow Fabric Co. Ltd. and Oriental Silk Co. Ltd.

The manufacture of broad silk fabrics was commenced in Canada in 1922 by the Premier Silk Mills Ltd. of Cowansville, Que., which later became the Bruck Silk Mills Ltd. Other plants soon came into operation, the larger being Grouts Ltd., St. Catharines, Ont., which commenced manufacturing as a branch of an English firm in 1924 and Louis Roessel & Co. Ltd. established at Drummondville, Quebec, a few months afterwards. The position of these early mills was described in the following words by Mr. P. R. Watson, General Manager of Grouts Ltd. in his evidence:—

"Because we had limited production amongst these original mills we were all able to eat off that top of the market and made a very good profit. Now the success of these mills brought in other mills"

It may be noted that the manufacture of broad silks in Canada was not commenced as the result of any tariff changes. The duties on silk goods appear to have been set largely for revenue purposes. The general tariff rate of 17½ per cent became 25 per cent on silk thread and twists and 30 per cent on fabrics and ribbons in 1879. The rate under the general tariff on broad silk remained at 30 per cent until 1928 when it was advanced to 35 per cent. The British Preference reduced the duty on broad silks to 20 per cent in 1900, and, under the 1907 tariff, the rate was set at 17½ per cent which remained unchanged until 1930, except for the 10 per cent discount for direct shipments after 1923. The Intermediate Tariff, which was the most important for silk imports as it applied for instance to France and Japan, was established at 27½ per cent on broad silks in 1907 and remained at this rate until 1928 when a duty of 32½ per cent was established, less 10 per cent under the French Treaty for fabrics over 26 inches in width, or 29¼ per cent.

As Mr. Watson has stated, the prosperity of the original mills attracted new undertakings. The census reports show figures for all silk and rayon firms together so it is somewhat difficult to trace the movements in the several branches of the industry from this source. The industrial census of 1920 shows 5 silk manufacturers, 4 in Quebec and one in Ontario, with 1,107 workers. These figures would include the original silk thread and ribbon manufacturers and the newer throwsters and broad silk manufacturers as well as the recently estab-

lished rayon plant of Courtaulds Ltd. The production of broad silk in 1926 was over one million yards compared with less than half a million in the preceding year.

Silk weaving developed rapidly from 1928 onwards as new plants were built and existing plants enlarged. The growth was not halted by the onset of the depression, as the imposition of higher duties on imports in 1930 and 1931 gave the Canadian market almost entirely to domestic manufacturers. The mills which so far had been manufacturing only silk fabrics found a growing public demand for the newer rayon fabrics and from 1927 on increasing quantities of the synthetic product were turned off the looms. In fact, by 1932 the yardage of rayon fabrics exceeded that of broad silk and in the following year the proportion was three to one, the production of rayon fabrics having advanced so rapidly.

The growth of silk and rayon weaving is reflected in the figures for looms compiled by the Dominion Bureau of Statistics:—

NUMBER OF LOOMS IN SILK AND ARTIFICIAL SILK INDUSTRY

Year	Total	Over 40"	40" or less	Other
1927.....	765	602	137	26
1928.....	990	767	128	95
1929.....	1,505	1,392	18	95
1930.....	2,100	1,967	95	38
1931.....	2,362	2,082	217	63
1932.....	2,518	2,290	142	86
1933.....	3,081	2,572	428	81
1934.....	3,534	2,868	575	91
1935.....	4,002	3,384	476	142
1936.....	4,141	3,427	559	155

The production of artificial silk or rayon represents the triumph of synthetic chemistry combined with modern engineering skill in producing a synthetic material which has begun to rival the natural fibres. The phenomenal growth of rayon production in the post-war period is the culmination of research and experiments running back to the seventeenth century. Commercial production, however, can scarcely be said to have commenced until the beginning of the 20th century when the viscose process was successfully developed. The Courtauld Company commenced operations in England, in 1904, and about the same time plants were started in Germany, France, Austria, Belgium and Switzerland. Many efforts were made to establish the industry in the United States, but none were successful until the Courtauld Company took up all the patent rights to the viscose process and organized the American Viscose Company in 1910. By the outbreak of the Great War the world production of artificial silk yarns was about 22 million pounds annually, of which about one-half was made in Great Britain. The activities of the industry were then largely diverted to war purposes and commercial development lagged. In the post-war period the industry commenced the phenomenal expansion which resulted in production rising from 33 million pounds in 1920 to 435 millions in 1929 and 1,000 millions in 1936. In 1920 the United States was the leading producer with 31 per cent of the world's total, followed by Great Britain, 18 per cent; Germany, 16 per cent; France, 10 per cent. By 1929, the United States' share was 28 per cent; Great Britain, 12 per cent; Germany, 13 per cent; France, 10 per cent and Italy, 17 per cent. Japan replaced Italy as the largest non-American producer in 1932 and at the present time is producing on as large a scale as the United States.

This brief comment on the development of rayon production appears necessary for an understanding of the growth of the industry in Canada. As the successful operation of the yarn producing plants depends on chemical knowledge and engineering skill, the European manufacturer with his control of patents, his knowledge of the technique of production and experience in commercial manufacture, proved to be the only one capable of commencing successful manufacture on the American continent. The Courtauld Company, as has already been mentioned, established its subsidiary in the United States in 1910, but was content to export to Canada until 1924, when their plant was built in Cornwall. The only other artificial silk plant in Canada was not established until 1927, when the Celanese interests of Great Britain and the United States combined to organize the Canadian Celanese Company for the production of yarn by the cellulose acetate process.

Prior to 1923, artificial silk yarns had entered free of duty when imported by manufacturers. Other artificial silk products were dutiable under the cotton schedule. The yarn was made dutiable in 1923 with rates of $12\frac{1}{2}$ per cent under the British Preferential tariff, $17\frac{1}{2}$ per cent under the Intermediate and 20 per cent under the General tariffs for single strand yarns, while ply yarns had rates of $17\frac{1}{2}$ per cent, $22\frac{1}{2}$ per cent and 25 per cent. At the same time duties of $17\frac{1}{2}$ per cent, $32\frac{1}{2}$ per cent and 35 per cent were placed on artificial silk fabrics and mixtures, under the Preferential, Intermediate and General tariffs.

When Courtauld Company commenced operations in Canada in 1924, the bulk of their sales were to the knitting trades but in recent years the weavers have become the most important customers providing more than 60 per cent of the Company's sales in 1936. Courtaulds (Canada) Limited have continued as the sole producers of viscose yarns in Canada, but in 1927 the Canadian Celanese Company commenced the production of acetate yarns at the newly-built plant in Drummondville, Quebec. These two firms have several contrasting features. The Courtauld Company manufactures its viscose yarn by a chemical process from wood pulp and disposes of its product only in the form of yarn. The Celanese Company, on the other hand, uses the cellulose acetate process with cotton linters, and further processes its yarns into fabrics and other artificial silk products. Neither company has attempted to develop an export trade in yarn although weavers are shipping increasing quantities of fabrics to the United Kingdom and the other Dominions.

The trend of Canadian production and importation of artificial silk is shown by the figures in the following table:—

2. APPARENT CANADIAN CONSUMPTION OF ARTIFICIAL SILK YARNS (IN POUNDS) 1925-1936

Year	Courtaulds (Canada) Limited	Canadian Celanese	Canadian Production	Imports	Apparent Consumption
1925.....	507,528	.....	507,528	1,667,493	2,175,021
1926.....	1,921,622	.....	1,921,622	1,324,912	3,246,534
1927.....	2,512,829	366	2,513,195	1,568,260	4,081,455
1928.....	3,153,369	203,365	3,356,734	1,986,742	5,343,476
1929.....	3,280,994	403,657	3,684,651	2,114,633	5,799,284
1930.....	3,535,822	1,091,505	4,627,327	2,263,993	6,891,320
1931.....	4,376,264	1,495,497	5,871,761	1,772,341	7,644,102
1932.....	5,197,574	2,127,506	7,325,080	989,205	8,314,285
1933.....	4,567,601	2,766,515	7,334,116	1,593,760	8,927,876
1934.....	6,718,213	3,832,719	10,550,932	1,084,791	11,635,723
1935.....	8,467,205	4,748,412	13,215,617	1,214,656	14,430,273
1936.....	8,064,670	5,557,959	13,622,629	1,167,936	14,790,565

The expansion of the silk and artificial silk industry has thus taken place in both the weaving and yarn producing sections. Raw silk, of course, is still imported, chiefly from Japan, although indirectly through the United States, to be thrown and spun in Canada. The phenomenal growth of all branches of the industry is shown by the combined figures from the census returns.

3. PRINCIPAL STATISTICS OF SILK AND ARTIFICIAL SILK INDUSTRY

Year	Number of Mills	Capital	Wage-Earners	Wages	Net Value of Production
		\$		\$	\$
1920.....	5	4,901,679	1,107	705,480	1,937,959
1925.....	11	9,224,224	1,561	1,089,741	2,122,328
1930.....	25	30,506,060	4,957	3,915,585	10,175,269
1935.....	33	35,063,023	9,184	6,717,084	17,098,601
1936.....	35	34,947,643	9,168	6,866,229	16,198,450

ORGANIZATION OF THE INDUSTRY

The nature of the organization of the various branches of the textile industry in Canada is largely a reflection in each case of the amount of capital necessary to erect and operate a plant and the technical difficulties in manufacturing. The cotton industry, as has been shown, commenced with a number of independent manufacturing concerns with individual plants located at widely scattered points in Ontario, Quebec and the Maritime Provinces. It was not long, however, until a marked movement commenced toward the amalgamation of the individual concerns and the concentration of manufacturing in fewer centres. While sporadic efforts have been made in the same direction in the woollen industry, the attempts so far have not proved successful. The artificial silk industry, on the other hand, although of recent growth, is an example of a manufacturing industry into which only corporations able to command large amounts of capital and to draw upon the engineering skill and experience developed elsewhere could hope to enter. The following table indicates the average size of the manufacturing plants in the various branches of the textile industry:—

4. SIZE OF MANUFACTURING ESTABLISHMENTS, 1935

Division	Number of Establishments	Average per Establishment		
		Gross Value of Production	Capital Invested	Number of Employees
		\$	\$	
Artificial Silk Yarn.....	2	6,798,607	9,860,849	2,169
Cotton Yarn and Cloth.....	35	1,696,533	2,021,189	518
Cotton Thread.....	5	735,035	560,981	139
Silk.....	31	466,068	498,881	186
Hosiery and Knit Goods.....	163	284,602	307,048	114
Wool Cloth.....	65	297,589	301,856	97
Wool Yarn.....	34	254,345	256,901	77
Carpets.....	24	141,252	282,003	45

While averages indicate the relative size of operating units in the various branches of the industry, they fail to reveal the extent to which production may be concentrated in a few large establishments or controlled by large corporations. From the census reports it is possible to make an analysis of the size of factories for the more important divisions of the industry:—

5. DISTRIBUTION OF EMPLOYEES ACCORDING TO AVERAGE NUMBER OF WORKERS IN EACH ESTABLISHMENT, 1935

Establishments having an average employment of	Cotton yarn and cloth		Silk (ex. art. silk)		Hosiery and knit goods		Wool cloth	
	No. of est.	Per cent	No. of est.	Per cent	No. of est.	Per cent	No. of est.	Per cent
Under 50 employees.....			10	6.2	90	10.1	38	11.2
50 to 99 employees.....	5	1.6	5	6.3	20	6.8	6	6.5
100 to 199 employees.....	6	4.1	6	15.4	20	15.3	12	26.7
200 to 500 employees.....	11	20.9	7	34.1	26	41.6	9	55.6
500 employees and over.....	13	73.4	3	38.0	7	26.2		
Total.....	35	100.0	31	100.0	163	100.0	65	100.0

The cotton yarn and cloth division is predominantly a large-scale industry as is artificial silk manufacturing. In the other branches of the industry shown in the above table small plants are characteristic but these provide only a small part of the employment. A few medium and large-sized plants dominate most branches of the textile industry in spite of the comparatively large number of small concerns which are operated.

The relative size of individual plants is only one part of the picture. It is also necessary to determine the position occupied by large corporations in the several branches of the industry. In the cotton yarn and cloth field the Dominion Textile Company Ltd. holds a predominant position. If the specialty concerns are excluded, we find that in 1937 the machine equipment in this branch was distributed as follows among the different companies:—

PERCENTAGE DISTRIBUTION OF MACHINE EQUIPMENT COTTON YARN AND CLOTH MILLS, 1937

	Spindles		Looms	
	Per cent		Per cent	
Dominion Textile Co. Ltd. (including Drummondville Cotton Co. Ltd.)	47.7	61.7	48.3	63.8
Montreal Cottons Ltd.....	14.0		15.5	
Canadian Cottons Ltd.....	17.5		22.0	
Cornwall and York Cotton Mills Ltd.....				
Wabasso Cotton Co. Ltd.....	9.2		7.8	
Empire Cottons Ltd.....	2.5		3.9	
Goodyear Cotton Co. Ltd.....	3.8		0.2	
Hamilton Cotton Co. Ltd.....	2.4		0.5	
Cosmos Imperial Ltd.....	2.4		1.0	
Dominion Fabrics Ltd.....	0.5		0.8	

The predominant position of the Dominion Textile Company in this branch of the industry is further revealed by the figures prepared by the auditor for the Commission on the sales of the various companies. As the Dominion Textile Company Ltd. acts as sales agent for the Montreal Cottons Ltd. the combined figures are more significant.

DISTRIBUTION OF TOTAL SALES OF COTTON YARN AND CLOTH COMPANIES, 1935

Dominion Textile Co. Ltd.....	37.9	52.7%
Drummondville Cotton Co. Ltd.....	4.1	
Montreal Cottons Ltd.....	10.7	
Canadian Cottons Ltd.....	17.2	17.7%
Cornwall & York Cotton Mills Co. Ltd.....	.5	
Wabasso Cotton Co. Ltd.....	9.8	
Empire Cottons Ltd.....	3.4	
Goodyear Cotton Co. Ltd.....	5.6	
Hamilton Cotton Co. Ltd.....	5.2	
Cosmos Imperial Ltd.....	3.8	
Dominion Fabrics Ltd.....	1.8	

Cotton Thread Manufacturing

The census of 1935 showed that there were five cotton thread manufacturers in Canada. Three of these firms, the Bell Thread Co. Ltd., The Canadian Spool Cotton Co. Ltd. and Cotton Threads Ltd. were included in the financial survey made by the Commission auditors, and may be taken as constituting the larger part of the division. The Canadian Spool Cotton Co. Ltd. is a subsidiary of J. & P. Coats Ltd., the international thread manufacturing company. In 1935, the Canadian Spool Cotton Co. Ltd. had 67·5 per cent of the total sales reported by the three firms mentioned above and may thus be said to hold the predominant position in this branch of the industry.

Woollen Industry

In the Dominion Bureau of Statistics reports the woollen industry is divided into the cloth and yarn divisions. As some of the yarn plants are operated by companies which also engage in cloth manufacturing, the Commission auditor grouped the two sections but dealt separately with two firms which specialize in the manufacture of paper-makers' felts.

It has been shown that while there are a considerable number of small plants in the woollen industry the medium and large-sized plants, which are relatively few in number, provide the greater part of the employment and handle the bulk of the business. Of the 31 woollen companies whose operations are summarized in Exhibit 1017 we find that the following eleven companies had 66·4 per cent of the sales in 1935.

	Per cent
Dominion Woollens and Worsteds Ltd.....	14·4
Barrymore Cloth Co. Ltd. } Subsidiaries of.....	6·2 }
Campbellford Cloth Co. } Toronto Carpet Co.....	2·5 }
Patons & Baldwins Ltd.....	7·9
Slingsby Mfg. Co. Ltd.....	7·7
York Knitting Mills Ltd.....	6·0
Guelph Carpet & Worsted Spinning Mills Ltd.....	5·6
Renfrew Woollen Mills Ltd.....	4·8
Paton Mfg. Co. Ltd.....	4·7
Hield Bros. Ltd.....	4·3
Renfrew Textiles Ltd.....	2·3

The concentration of manufacturing in the hands of a few companies is far from being complete and the tabulation given above fails to take into account the diversity of products made by the companies listed. Some firms manufacture balled yarn and others yarns for the knitting or weaving trades, while still other companies engage in all processes from spinning to the production of the finished goods. It should also be noted that apart from the Dominion Woollens and Worsteds Ltd. a number of the other companies are of roughly equal size and this equality is more pronounced in the production of any one line of product. While the industry might be dominated by an association of the larger manufacturers, no one firm appears to have a predominant position.

Silk Industry

The division of the artificial silk yarn production between two manufacturers utilizing different processes has already been described. The organization of the silk weaving and allied trades may now be considered. The table given earlier shows that of the 31 silk factories in 1935, three reported 38 per cent of the total number of employees. Ten mills, including the three largest, had 72 per cent. The Commission auditors reported on 15 silk companies. The sales of these 15 companies amounted to \$12,167,087 in 1935 and were divided among the companies in the following proportions:—

	Per cent
Belding-Corticelli Ltd.....	21·3
Associated Textiles of Canada Ltd. and Rayons (Canada) Ltd.....	21·3
Bruck Silk Mills Ltd.....	13·6
Riverside Silk Mills Ltd.....	12·3
Grout's Ltd. and Valleyfield Silk Mills Ltd.....	11·6
Remaining 8 companies.....	19·9

As these companies are not all engaged in the production of the same lines of goods the figures above do not represent the share of the business attributable to any one firm in a particular line. As has already been pointed out, the silk weaving industry now produces more yards of rayon fabrics than real silk. On the other hand, the production of rayon fabrics has also been undertaken by the cotton mills. The relative position of the various companies in the production of rayon or artificial silk fabrics is indicated by the statements for deliveries of all-rayon fabrics in 1936, furnished by the larger companies to the Commission. The figures from these statements taken in conjunction with the Census of Industry reports show that the all-rayon or artificial silk fabric business was divided in 1936 on the basis of yards shipped, as follows:—

	Per cent of total yards shipped
Canadian Celanese Co. Ltd.	42.1
Dominion Textile Co. Ltd.	8.4 per cent)
Montreal Cottons Ltd.	6.8 per cent)
Associated Textiles of Canada Ltd.	7.9
Bruck Silk Mills Ltd.	6.1
Canadian Cottons, Ltd.	6.1
	<hr/> 77.4

Hosiery and Knit Goods

This division, as has already been pointed out, embraces firms manufacturing silk hosiery as well as those engaged in the production of knitted goods. While these two lines of activity are generally carried on in separate plants, some of the larger companies such as Penmans Ltd., Monarch Knitting Co. Ltd. and Zimmerknit Co. Ltd., which are primarily knitting firms, engage in the manufacture of silk hosiery either directly or through subsidiaries. The analysis of the census figures previously set out shows that in the two branches of the industry taken together 7 factories had 26.2 per cent of the workers in 1935 and 26 smaller plants had 41.6 per cent, so that 33 of the 163 plants had 67.8 per cent of the workers.

The auditor for the Commission divided the hosiery and knit goods companies on the basis of their major activity as silk hosiery manufacturers or knitters. The financial records of 53 companies and subsidiaries are contained in the auditor's financial summary for the knitting division. Only 11 companies reported sales amounting individually to more than 3 per cent of the total reported and of these only one firm, Penmans Ltd., had more than 15 per cent of the total sales. The proportion of the total business handled by these large companies in 1935 was as follows:—

	Per cent
Penmans Ltd.	17.8
Eaton Knitting Co. Ltd.	7.5
Ontario Silknit Ltd.	6.6
Monarch Knitting Co. Ltd.	5.8
Mercury Mills Ltd.	5.8
Zimmerknit Co. Ltd. and Harvey Knitting Co. Ltd.	5.7
Regent Knitting Mills Ltd.	5.5
Newlands & Co. Ltd.	4.2
J. R. Moodie Co. Ltd.	4.1
Jos. Simpson Sons Ltd.	3.6
Stanfields Ltd.	3.6
	<hr/> 70.2

The Commission auditors included 25 companies in the summary of the hosiery division. It must be remembered that figures for the silk hosiery plants of knitting companies are included in the knitting division and that hosiery companies produce products other than silk hosiery. Of the 25 companies included in the auditor's report, 9 had sales in 1935 which exceeded 5

per cent of the total, but only one firm, Julius Kayser & Co. Ltd., had more than 20 per cent. The proportions for the individual companies were:—

	Per cent
Julius Kayser & Co. Ltd.	20.2
Canadian Silk Products Ltd.	9.2
Weldrest Hosiery Ltd.	8.1
Holeproof Hosiery Co. Ltd.	7.3
Circle-Bar Knitting Co. Ltd.	6.2
Hosiers Ltd.	5.5
National Hosiery Mills Ltd.	5.5
Toronto Hosiery Co. Ltd.	5.5
Supersilk Hosiery Mills Ltd.	5.4
	<hr/>
	72.9

Again it is evident that only through an association of manufacturers would it be possible to establish control over production or prices in this branch of the industry.

Carpet Manufacturing

The Dominion Bureau of Statistics reported 24 carpet and rug manufacturing plants for the year 1935. A number of these plants were relatively small and were engaged in making small rugs and novelty products. Four of the larger carpet manufacturing companies are included in the auditor's report to the Commission. These four companies accounted for approximately 90 per cent of the industry in 1935. By far the largest company is the Toronto Carpet Manufacturing Co. Ltd., which also engages in the production of woollen goods through its subsidiaries, the Barrymore Cloth Co. Ltd. and the Campbellford Cloth Co. In 1935 the Toronto Carpet Manufacturing Co. Ltd. accounted for 40.3 per cent of the sales of the four carpet companies. The proportions of the other three were as follows:—

	Per cent
Harding Carpets Ltd.	24.3
Brinton-Peterboro Carpet Co. Ltd.	23.0
Cobourg Matting & Carpet Co. Ltd.	11.9

Carpet manufacturing had been started in Canada in some of the early woollen mills but in 1885 there were only 135 carpet looms, of which 100 were still hand looms. The manufacture of fine carpets has always been confined to a few companies. The Toronto Carpet Manufacturing Co. was first organized in 1891 and the Brinton-Peterborough Company in 1910, while the Harding Carpet Co. was not organized until 1927.

CONTROL OF THE INDUSTRY

The textile industry is largely controlled by Canadian interests. In only a few branches do British or United States controlled companies handle any large part of the trade. The artificial silk yarn branch is a notable exception, as there are only two manufacturing concerns, one of which is controlled by the parent company in England and the other by British and United States interests. In the case of the thread companies it has already been mentioned that the largest company is a subsidiary of a Scottish firm.

The cotton yarn and cloth companies and the carpet companies are controlled by Canadian interests. In the silk and hosiery divisions a substantial proportion of the investment is controlled by United States interests. The following table prepared from the proceedings of the Price Spreads Commission indicates the situation in 1933 for the silk, woollen, hosiery and knit goods branches of the industry:—

CONTROL OF CAPITAL INVESTED IN CANADIAN MANUFACTURING PLANTS, 1933

	Silk	Woollens	Hosiery	Knit Goods
	Per cent	Per cent	Per cent	Per cent
Canadian.....	69.2	83.7	54.6	98.7
United States.....	20.8	5.3	23.5	0.9
Great Britain.....	10.0	11.0		
Canadian and United States (jointly).....			21.9	0.4
Total.....	100.0	100.0	100.0	100.0

LOCATION OF THE INDUSTRY

The textile industry in Canada is concentrated in the provinces of Quebec and Ontario with a substantial, but relatively small, proportion in the Maritime Provinces. Quebec leads in cotton, silk and thread manufacturing, while Ontario is first in woollens, hosiery and knit goods, specialty fabrics and cordage.

In 1935, the cotton yarn and cloth industry was divided between the provinces roughly as follows, Quebec, 65 per cent; Ontario, 27 per cent; Maritime Provinces, 8 per cent. Manufacturing in the Maritime Provinces had been declining relatively since 1900 and actually since the end of the war. The development of specialty manufactures in Ontario during recent years has tended to maintain the position of that province.

The proportion of woollen cloth manufacturing in the various provinces tends to change with the relative prosperity of the industry. In the period of expansion prior to the late nineties Quebec increased in importance as a woollen manufacturing province, containing roughly 20 per cent of the industry in 1900. But with the decline in the industry Quebec's share dropped to about 10 per cent in 1920. The position held by the Maritime Provinces has likewise changed, falling from roughly 12 per cent in 1910 to 3 per cent in 1935. The proportion of manufacturing in Ontario has, of course, changed inversely with the movements in the other provinces. The expansion in the industry since 1930 increased the proportion of the industry in Quebec to 24 per cent in 1935, while Ontario's share was about 73 per cent. Woollen yarn manufacturing as a separate branch was carried on the extent of about 86 per cent in Ontario in 1935.

Silk manufacturing, as the history of the industry shows, was confined almost entirely to Quebec until the outbreak of the war. In 1925, however, there were 6 plants in Quebec and 4 in Ontario, excluding artificial silk factories. Five years later the number of plants had increased to 14 in Quebec and 9 in Ontario. Since 1930 more silk mills have been established in Quebec than in Ontario, the number in operation in 1936 was, Quebec—23, Ontario—10. If the data for artificial silk plants are excluded from the census figures, it will be found that, on the basis of employment, Quebec held 79 per cent of the industry and Ontario 21 per cent in 1935.

The proportion of hosiery and knit goods manufacturing has been increasing relatively in Quebec since 1915 when the provincial distribution was, roughly, Ontario—87 per cent, Quebec—4 per cent, Maritime Provinces—8 per cent, other provinces—1 per cent. By 1935 Quebec's share had increased to 30 per cent while Ontario had 63 per cent. The report of the Price Spreads Commission gives some indication of the relative distribution of hosiery manufacturing and knit goods manufacturing. In 1934 Ontario accounted for 50.7 per cent and Quebec for 45.0 per cent of the employment in hosiery mills. But for the knitting mills the proportions were—Ontario, 68.9 per cent and Quebec, 22.8 per cent while other provinces accounted for 8.3 per cent.

Representatives for the industry stressed the importance of textile manufacturing in the smaller cities and towns throughout eastern Canada and the

CHAPTER III

CHANGES IN THE STRUCTURE OF WORLD TEXTILE TRADE

Following upon the history of the textile industry in Canada which has just been narrated, it will now be in order to review briefly the world-wide position of this industry in recent years and, in so far as is possible, up to the present time.

World textile trade has undergone far-reaching changes since the post-war period both in regard to the international trade in textile products and in the manufacturing operations in the individual countries. While these movements had a gathered force during the war and immediate post-war periods, they became accelerated with the onset of the depression. During the time when the international trade in textiles and the manufacturing in the principal exporting countries was subjected to severe disturbances which in many cases resulted in serious losses, the industry in Canada through governmental action was sheltered to a large extent from the effect of the international shifts in production and trade. It is necessary therefore to make some mention of the changes that have taken place in the principal textile manufacturing and exporting countries, in order to appraise properly the measure and the efficacy of the protection given the Canadian industry during the depression period. This was at a time when our national income was greatly reduced and when our exports, such as wheat, flour, newsprint paper, lumber, fish, etc., had suffered from the decline in world prices and the depression in international trade.

The following paragraphs contain a brief examination of the general movement in production and trade in the principal countries during the post-war period and the severe disturbances which were caused by the recent depression and by the various governmental policies in regard to monetary control, trade regulation and national self-sufficiency. To a considerable extent, reliance is placed here upon the report prepared by the International Labor Office on the World Textile Industry and presented to the tripartite Textile Conference held in Washington, D.C., in the Spring of 1937.

COTTON TEXTILE MANUFACTURING

The changes in cotton textile manufacturing, which have given rise to the most pressing problems, may be described as follows:—

1. Among the older manufacturing countries, the importance of the United Kingdom has been diminishing while that of Japan and India has been increasing;
2. Cotton manufacturing has been developing rapidly in "newly industrialising" areas, notably China, Latin America and the Balkan countries;
3. In the two largest textile manufacturing countries—India and the United States—production has been shifting from regions of higher to regions of lower labour costs;
4. Cotton manufacturing in several European countries has been subjected to more or less permanent market disequilibrium as a consequence of the boundary changes following the conclusion of the World War;
5. Difficulties in obtaining raw materials by reason of foreign exchange control and bilateral trade agreements have created peculiar structural problems for cotton manufacturers in such countries as Germany and Italy.

The decline in importance of the United Kingdom as a manufacturer of cotton textiles and the advance of production in Japan and the "new textile countries" may be measured in several ways. Between the crop years 1912-13 and 1928-29, the consumption of raw cotton in the United Kingdom dropped from 4,644,000 bales to 3,195,000 bales, while the world consumption increased. The proportion of raw cotton consumption dropped from 21·1 per cent in the United Kingdom in the earlier year to 12·4 per cent for 1928-29, while that for Japan increased from 6·5 per cent to 10·5 per cent. The following table shows the shift in production between the pre-war and post-war periods and also the further change during recent years.

7. WORLD CONSUMPTION OF COTTON

(Thousands of bales)

—	1912-1913		1922-1923		1928-1929		1933-1934		1935-1936		1936-1937	
	%		%		%		%		%		%	
United States.....	5,483	25·0	6,666	31·3	7,091	27·5	5,700	22·5	6,351	23·0	7,952	25·8
United Kingdom.....	4,644	21·1	2,825	13·2	3,195	12·4	2,684	10·6	2,846	10·3	3,082	10·0
Continental Europe.....	7,514	34·2	5,304	24·9	7,902	30·6	7,995	31·6	8,041	29·1	8,537	27·7
India.....	1,843	8·4	1,751	8·2	1,682	6·5	2,133	8·4	2,550	9·2	2,558	8·3
Japan.....	1,435	6·5	2,348	11·0	2,695	10·5	3,130	12·4	3,602	13·0	3,945	12·8
China.....			1,571*	7·3	2,036	7·9	2,345	9·3	2,488	9·0	2,681	8·7
Canada.....	131	·6	203	1·0	255	1·0	259	1·0	263	1·0	308	1·0
Other countries.....	913	4·2	657	3·1	926	3·6	1,078	4·2	1,486	5·4	1,757	5·7
ALL COUNTRIES.....	21,965	100·0	21,325	100·0	25,782	100·0	25,324	100·0	27,627	100·0	30,820	100·0

*1923-24.

The figures for cotton spindles show the decline in the spinning capacity in the United Kingdom and the United States during the depression and the rapid advance in productive capacity in such countries as China, British India and Japan.

8. NUMBER OF COTTON SPINDLES—1914-1936

(in thousand spindles)

—	1914	1923	1929	1936
Canada.....	860	1,076	1,240	1,152
United States.....	31,520	37,225	34,829	29,040
Mexico.....	750	770	751	862
Brazil.....	1,400	1,680	2,750	2,711
China.....	1,350	2,552	3,602	4,952
British India.....	6,397	7,331	8,704	9,686
Japan.....	2,415	4,754	6,530	10,595
United Kingdom.....	55,972	56,613	55,917	42,307
All countries.....	144,704	155,981	164,211	153,310

The available statistics for power looms indicate that the changes in weaving capacity have taken the same direction as that indicated by cotton consumption and the number of cotton spindles. Between 1914-1929, the number of looms decreased by 8 per cent in the United Kingdom, but increased by nearly 300 per cent in Japan, 77 per cent in India, and 409 per cent in China, while the increase for all countries in the same period was 11 per cent.

The movements in machine equipment and raw cotton consumption are related to the general trends in the output of cotton goods. Figures for production show that the output of yarns and piece goods has been declining in the United Kingdom while production in recent years has grown greatly in Japan and India. The following table from the World Textile Industry illustrates the tendencies which have been discussed:—

9. PRODUCTION OF COTTON YARN AND PIECE GOODS, UNITED KINGDOM, JAPAN AND INDIA, 1912-1936

	1912	1924	1930	1935	1936
<i>Yarn (Million lbs.)—</i>					
United Kingdom.....	1,983	1,395	1,047	1,225	1,310
Japan.....	661	829	1,010	1,424	1,475
India.....	683 (a)	647	861	1,040	1,047
<i>Piece Goods—</i>					
United Kingdom: Million sq. yds....	8,050 (b)	6,026	3,399	3,354	.....
Japan: Million sq. yds.....	(not available)	2,965 (c)	3,159	4,908	4,678
Japan: Yarn consumed: Million lbs....	(392)	(922) (c)	.....	.....	.....
India, Mill Production:—					
In million linear yards.....	.....	1,841	2,494	3,555	3,528
In million lbs.....	(274) (a)	(430)	.....	.....	.....

NOTE: (a) 1912-1913.

(b) Million linear yards.

(c) 1926.

The increase in the production of cotton goods in India and China and to a lesser extent in the "newer textile countries," in which manufactures are developing to supply the protected home market, has had profound effects on the trade of the major exporting countries. The reduction in importations by India has been one of the major causes in the decline of the cotton industry in the United Kingdom, while the loss of markets in China has stimulated Japan to find other outlets for her increasing cotton production.

While the United States has been faced by some loss in export markets, her domestic consumption has been so large that imports and exports have been small in comparison with the production of the United States mills. The major problems in the cotton textile industry in the United States have arisen out of the shift of cotton manufacturing from the New England to the Southern States and the consequent creation of excess capacity in the industry. This shift in the bulk of cotton manufacturing from north to south is not of recent development, but has extended over the past thirty years. In the early period, it was not occasioned by the decline in the activity of the northern states, but represented a more rapid development in the cotton growing states than in New England, but, from about 1922 onwards, the north lost both relatively and actually while the southern mills continued to expand until the depression. In 1904-1909 New England accounted for approximately half of the cotton industry in the United States, but by 1933 this area produced only 20 per cent of the woven goods and accounted for approximately 24 per cent of the value of production and number of wage-earners. The absolute decline in the position of the New England mills was not quite as great as the percentages indicate, as during the thirty years the production of cotton goods had materially increased. In 1909, New England produced 3,200 million yards out of a total production of 6,350 million yards, while in 1933, with a total production of 8,089 million yards, New England's share was 1,600 million yards.

The loss in manufacturing activity in many individual centres has created serious problems not only for the industry but for communities in which the mills are situated. The report on the cotton textile industry made by a cabinet committee to the President of the United States in August, 1935, contains the following comment:

"....the evidence is clear that mill closings in New England, which occurred prior to 1933, have left large stranded populations which will probably never be reabsorbed in cotton manufactures. Further loss in spindlage will accentuate this already serious national problem."

The industrial changes in various countries and the fluctuations in general business activity have profoundly affected the course of the world trade and the production of cotton manufactures. Exports of cotton piece goods fell heavily during the depression while those of cotton yarn declined less. Mill consumption of raw cotton, on the other hand, was fairly well maintained and during the past year has exceeded the 1929 level due to the increased activity in manufacturing in practically all countries.

10. WORLD PRODUCTION AND WORLD TRADE IN COTTON TEXTILES 1929-1936

	1929	1931	1933	1935	1936
Production (mill consumption of raw cotton).....	100	87	96	99	107
Exports of yarn.....	100	83	76	75	74
Exports of piece goods.....	100	63	68	72	74

These more or less divergent movements in production and trade have been due to the interaction of a number of factors among which the following were the most important: (1) the continued spread of the cotton textile industry to newer manufacturing countries and its continued growth therein which resulted in the maintenance of manufacturing activity; (2) the recognized tendency in such countries to develop weaving ahead of spinning which produced a lesser decline of exports of yarn than of piece goods during the depression; (3) the relative resistance of the textile knitting industries to the world slump which tended to maintain the demands for yarn; and (4) the probable tendency during the world economic crisis to produce coarser and heavier constructions of cotton cloth.

The contraction in the world trade in cotton manufactures during the world depression has been accompanied by an expansion in volume of cotton cloth exports from Japan, thus giving rise to the so-called problem of "Japanese Competition." In the process of Japan's development as a major exporter of cotton cloth, the trade of the United States and Italy as well as that of the United Kingdom has been seriously affected. The entrance of Japan to Latin American markets on a large scale during recent years coincided with a drastic decline of exports from the United States and Italy, together with a moderate drop from the United Kingdom. In the Philippine Islands Japan has replaced the United States as the principal supplier of cloth and Japan's exports to the United States, itself, have been rapidly mounting.

In the Far East, both the United Kingdom and Japan have had to face the virtual extinction of China as a major market for cotton piece goods but Japan has retained its market in Manchuria. Exports of piece goods from the United Kingdom to China declined from 188 million square yards in 1929 to 20 million in 1934. In the same period Japan's exports to China fell from 375 million linear yards to 56 million, but her exports to Manchuria increased from 156 million yards to 170 million.

The effect on Lancashire of the growing production of cotton goods in India has already been indicated. The share of the India Market retained by the United Kingdom had been declining in both volume and percentage during the post-war period, whereas Japan's absolute and percentage shares have been rising. Prior to the war, the United Kingdom supplied more than 95 per cent of India's imports and Japan less than 1 per cent. Even in 1928-29, the United Kingdom held 75 per cent of the import trade and Japan 18 per cent. By 1935, Japan's share had risen to 51 per cent and that of the United Kingdom had declined to 47 per cent. In absolute amounts, the United Kingdom sent 1,439 million yards of cloth to India in 1929 while Japan shipped 352 million yards. In 1935, shipments from the United Kingdom amounted to only 489

million yards and from Japan to 526 million yards. It will thus be seen that the loss of Lancashire has not been so much of a gain by Japan as it has been an actual reduction in the total volume of imports by India.

The excess capacity in the United Kingdom and the United States cotton industries, which has developed by reason of the changes described in the preceding paragraphs, has led to the advance of a number of plans to stabilize conditions in the two countries. Numerous schemes have been put forth in the United Kingdom since the war, but few of them progressed much beyond the stage of discussion. In 1936, however, after a majority of the cotton spinners had signified approval, the Cotton Spinning Industry Bill was enacted. This measure provided for the creation of a Spindles Board, which would have the function of progressively reducing the number of surplus spindles, which had been estimated as amounting to 10 to 14 millions out of a total of about 40 millions. The Board commenced operations in September, 1936, and made its first annual report in November, 1937. The following comment on the Board's report appeared in "The Economist" of November 6, 1937:—

" . . . During the first year, the Board has acquired, or agreed to acquire, 3,265,000 mule equivalent spindles, involving the purchase of the plant and machinery of 48 mills at cost of £842,776. Of these, 1,900,000 mule equivalent spindles have already been scrapped and practically all the land, buildings and machinery appertaining to them have been disposed of. During the twelve months ended September 14, 1937, Lancashire's spindle capacity expressed in terms of mule equivalents, declined from 45,875,251 to 42,492,717. As the acquisition of spindles by the Board coincided with a substantial improvement in the industry, the number of unemployed spindles was reduced from 10·6 millions in September, 1936, to 3·9 millions two months ago. The proportion of the industry's capacity in full operation rose from 77 per cent during the six months ended September 14, 1936, to 90·8 per cent, during the corresponding period this year; moreover, the quantity of cotton yarn produced rose from 555·4 million pounds to 591·7 millions during this period. As the volume of surplus capacity is a function of demand for cotton yarn, which cannot be foreseen, the Board finds it impossible to say how far the process of elimination can be carried. That it is not yet at an end, however, is indicated by the fact that the Board has been entering into negotiations for the purchase of further mills since September 14th. While the problem of surplus capacity is now much less serious, the Board rightly points out that the scheme which it has to administer is only one step in the task of putting the cotton industry on a better basis."

Other measures which have been followed in an effort to improve conditions in the Lancashire area have been the adoption of short-time operations through agreement by the mills and also the adoption of agreements for the maintenance of prices. Both short-time and price agreements broke down after varying periods of co-operation by the members, but in spite of these failures new plans have followed in rapid succession. Within the past two years there has been a marked development in price fixing arrangements for various types of cotton yarns. It would appear, however, that even continued maintenance of such agreements would not improve the export position of the British industry as the restriction of production and the prevention of "under selling" would weaken still further the competitive position of British goods in foreign markets.

In the United States the movement to establish a greater equilibrium between productive capacity and demand commenced in 1926 with the formation of the Cotton Textile Institute. No great progress was made until 1932 when by a voluntary arrangement, manufacturers with practically 82 per cent of the spindles in the industry agreed not to exceed a maximum work week of 55 hours for the day shift and 50 hours for the night shift. Another recommendation of the Institute for the discontinuance of night work for women and minors under 16 was observed by 88 per cent of the industry. According to a report of the Cotton Textile Institute, these voluntary efforts were largely thwarted by the pressure of over-capacity and by the inability to secure the adherence of a minority of manufacturers to the programs.

The cotton industry code was the first adopted under the provisions of the National Industrial Recovery Act (N.R.A.). Under the code the maximum

working week of 40 hours was established and machine hour operation was not to exceed 80 hours a week in two 40-hour shifts. In spite of the abandonment of the N.R.A. program, after the adverse decision of the United States Supreme Court in 1935, the majority of the cotton manufacturers in the United States have continued to adhere to the limitations established under the code.

WOOL MANUFACTURING

Although the depression did not greatly alter the relative positions of the leading wool manufacturing countries, a number of significant changes took place during the period. The same countries which were the predominant manufacturers in 1928—the United Kingdom, the United States, France and Germany—were still predominant in 1935. Wool manufacturing, however, expanded at a very rapid rate in Japan and there were marked developments in countries which are themselves important producers of raw material, notably Australia and Argentina. The difficulties due to control and governmental policies, which have already been mentioned in connection with the cotton manufacturing industry in Germany and Italy, were also evident in wool manufacturing in these two countries.

The maintenance by the United Kingdom of her relative position as the world's leading producer of woollen and worsted manufactures, along with the United States, has been due largely to the fact that the United Kingdom had had to meet much less competition in the export markets for wool than for cotton goods. The depreciation of the pound sterling and the adoption of new measures of tariff protection in the United Kingdom stimulated the domestic market for home-produced woollens and worsteds after 1931. In contrast, the slowness with which wool manufacturing in France responded to world recovery may be attributable in part to the delayed devaluation of the franc, which, among other things, occasioned the loss in 1931 of the United Kingdom market for wool manufactures.

11. WORLD PRODUCTION AND WORLD TRADE IN WOOL TEXTILES, 1929-1936

	1929	1932	1934	1936
Production of tops and yarn.....	100	92	87	89
Exports of tops.....	100	103	98	108
Exports of yarn.....	100	58	62	60
Exports of tissues.....	100	44	47	52

The contraction in the world trade in wool manufactures has been much greater than the contraction in the world production. The major factors leading to the curtailment of world trade in woollen and worsted goods were:

1. The reduction of imports into the United Kingdom after the depreciation of the pound sterling and the adoption of the protective tariff.
2. The loss of markets in the "newer manufacturing" countries, and
3. The gradual closing of certain markets, notably those of Germany and Italy, in their evolution from multilateral toward bilateral trade and toward greater self-sufficiency.

12. WORLD TRADE IN WOOL TISSUES, SELECTED EXPORTERS AND IMPORTERS 1928-1936
(in million pounds)

Exports to	Exports from									
	United Kingdom		France		Germany		Italy		Czechoslovakia	
	1928	1936	1928	1936	1928	1936	1928	1936	1928	1936
United Kingdom.....			13.1	0.3	7.1	1.3	1.2	0.1	2.5	.....
Germany.....	4.2	2.1	1.9	(b)					2.6	0.1
United States.....	7.4	4.0	1.5	0.3						
Argentina.....	6.2	5.8	3.2	0.5	(0.8)		1.3		(0.1)	
Canada.....	17.5	8.7	2.4	0.1				(b)		
France.....	1.8	1.4								
Italy.....	1.4	0.4			0.8	0.4			1.0	
Japan.....	7.0	2.0								
Austria.....	(0.8)	0.8			2.2	0.2		1.2	5.8	0.8
British India.....	3.4	2.2	1.1	(b)	1.5	0.3	6.2(a)	2.9 (b)		
EXPORTS TO ALL COUNTRIES.....	97.1	66.0	46.9	5.2	35.3	15.0	21.7	8.4	23.7	4.4

NOTE:—Figures in parentheses are for imports. Where no figures are given, trade was nil or not separately recorded.

(a) India and Ceylon.

(b) Less than 50,000 lbs.

SILK AND RAYON MANUFACTURING

Silk manufacturing has been fluctuating largely with the degree of world prosperity. In the period leading up to the boom of 1929 the consumption of silk tissues expanded in most countries. During the depression, despite the drastic decline in prices, the demand for silk fabrics fell off. The curtailment of silk manufacturing was due not only to the loss of purchasing power but also to the growing competition of the newer rayon products. On the other hand, the increasing popularity of silk hosiery resulted in the maintenance of the demand for this silk product during the depression. Production of silk hosiery has advanced in Canada and the United States and probably in other countries as well during recent years. While the fortunes of the silk manufacturing industry have thus tended to fluctuate cyclically it would nevertheless appear, from the figures of imports of raw silk used for processing by the importing countries and the indices of manufacturing activity, that the silk textile industry is undergoing expansion in a number of countries, of which the United Kingdom, Japan, and Canada are the most important. The growth of domestic manufactures in these countries has placed serious and more or less permanent strains upon such silk-manufacturing countries as France, Italy, and Switzerland, which have been the major silk-exporting countries.

Canadian imports of silk piece-goods from France and Switzerland dropped from approximately $4\frac{1}{2}$ million yards in the fiscal year 1929-30 to less than half a million yards in the fiscal year 1932-33 and have not since shown any marked recovery.

Rayon manufacturing, on the other hand, is a new industry in all countries and is developing with all the vigour of youth. The annual production has been rising steadily since 1925 with only a slight pause in the earlier years of the depression. The tendency has been towards the establishment of manufacturing plants in any country whose market is sufficiently large to enable efficient production to be carried on, so that the international trade in rayon products has not kept pace with the phenomenal advance in production.

CHAPTER IV

THE CANADIAN CUSTOMS TARIFF AND ITS ADMINISTRATION IN RECENT YEARS

Since 1907 the Canadian tariff has been a three column tariff, the lowest rates being British Preferential, then the Intermediate Tariff used as a basis for negotiation with foreign countries, and finally the General Tariff. Details of the rates of duty, under which the various branches of the industry developed, are given in Chapter II. Their variety is such that it is difficult to give a general picture of their height at any period, but some indication is given by the rates on the main import items. In summary, one may say that in 1907 the British Preferential rates ranged from 15 to 25 per cent depending on the degree of manufacture, e.g., cotton fabrics, grey, 15 per cent; bleached, 17½ per cent; coloured, 25 per cent. There were, of course, many items coming in at lower rates, some even free of duty, and some important items at higher rates, e.g., woollen and worsted fabrics, 30 per cent. But, out of forty items concerned in this inquiry 30 fall within the range mentioned, and 30 per cent was the highest rate involved under the British Preferential Tariff. The Intermediate Tariff was higher on the average by an additional 5 per cent of the value of the goods; in most cases, the differential was exactly 5 per cent, and almost all other cases were equally divided between 2½ per cent and 7½ per cent. The General Tariff was usually higher than the Intermediate by 2½ per cent of the value of the goods, 5 per cent was the next most usual differential. Again one may take cotton fabrics as a typical example:—

RATES OF DUTY ON COTTON FABRICS, 1907

—	British Preferential	Intermediate	General
	%	%	%
Grey.....	15	22½	25
Bleached.....	17½	22½	25
Coloured.....	25	30	32½

The range of duties established in 1907 was subjected to some reduction in the twenties. In 1922, there was a fairly general reduction of the British Preferential rates on textiles by 2½ per cent of the value of the goods, e.g. cotton fabrics, grey, reduced from 15 per cent to 12½ per cent; bleached, reduced from 17½ per cent to 15 per cent; coloured, reduced from 25 per cent to 22½ per cent. Similarly, woollen flannels were reduced from 22½ per cent to 20 per cent, and woollen and worsted fabrics reduced from 30 per cent to 27½ per cent. In 1923, there was a further slight reduction through the operation of a regulation allowing a 10 per cent discount from duties of more than 15 per cent, when goods were conveyed without transshipment from a port of a country entitled to the British Preferential Tariff to a sea or river port in Canada. As most imports from the United Kingdom are made on direct shipment, the effective duties, when more than 15 per cent, are the tariff rates less 10 per cent. This point should be kept in mind when considering the various British Preferential Tariff rates which are cited in the following paragraphs and in other sections of this report.

In 1929, a number of changes were made in both rates and classifications of textile items following inquiries conducted by the Advisory Board on Tariff and Taxation. The British Preferential rates on several items were reduced by a further $2\frac{1}{2}$ per cent of the value of the goods, and some of the Intermediate and General Tariff rates were reduced. In addition to these revisions, the number of countries entitled to treaty rates had increased since 1907.

The Intermediate Tariff applied to the products of countries with which Canada had established reciprocal most-favoured-nation treatment and to some countries under special trade treaties. These special treaties provided in some cases for discounts on certain items under the Intermediate Tariff or for special rates. Such rates or discounts, by virtue of the most-favoured-nation agreements, were automatically extended to these most favoured nations. The Canada-France Agreement of 1923, for example, provided for reduction in the Intermediate rates of duty on a considerable number of textile items. Under the terms of this agreement the rate for woollen and worsted fabrics was 15 per cent off the Intermediate rate of 35 per cent, while a rate of 25 per cent was provided for knitted goods, n.o.p., instead of the Intermediate rate of 30 per cent. Automatically, these reductions applied to all nations in the most-favoured-nation class.

The revisions in tariff rates and the agreements under trade treaties in the post-war period resulted in a general lowering of duties on textile imports. This trend may be illustrated by reference to the British Preferential rates on several important cotton and wool items.

Year	Cotton				Woollen and Worsted Fabrics, n.o.p.
	Single Yarns Coarser Than 40's	Grey Fabrics	Coloured Fabrics	Cotton Blankets	
	%	%	%	%	%
1907.....	$17\frac{1}{2}$	15	25	25	30
1922.....	15	$12\frac{1}{2}$	$22\frac{1}{2}$	$22\frac{1}{2}$	$27\frac{1}{2}$
1928.....	10- $12\frac{1}{2}$	$12\frac{1}{2}$	20	15	$27\frac{1}{2}$

With the onset of depression, the tariff policy of Canada was drastically changed. The *ad valorem* rates on a large number of textile items were increased in September, 1930, and specific duties imposed. The following table gives some indication of the drastic nature of the new rates. The degree by which the protection provided might be further increased by administrative action will be discussed later.

	Rates of Duty Ruling in 1929			Rates of Duty September, 1930		
	B.P.	Int.	Gen.	B.P.	Int.	Gen.
<i>Artificial Silk—</i>						
Yarn, single strand.....	12½%	17½%	20 %	25% 28 cts. per lb.	30% 30 cts.	35% 40 cts.
Yarn, ply.....	17½%	22½%	25 %	25% 28 cts. per lb.	30% 40 cts.	35% 40 cts.
<i>Woven Fabric—</i>						
Wholly art. silk.....	17½%	32½%	35 %	27½% 30 cts.	40% 40 cts.	45% 40 cts.
and per lb.....						
In part art. silk.....	20 %	30 %	35 %	27½% 30 cts.	40% 40 cts.	45% 40 cts.
and per lb.....						
<i>Cotton—</i>						
Yarn, single—						
20 hanks or less per lb.....	10 %	15 %	20 %	12½% 3 cts.	15% 3½ cts.	22½% 4 cts.
20-40 hanks per lb.....	12½%	15 %	22½%			
41 hanks or more per lb.....	Free	15 %	15 %			
and per lb.....						
Yarn, ply.....	15 %	22½%	25 %	15% 3 cts.	22½% 3½ cts.	25% 4 cts.
and per lb.....						
Sewing thread.....	15 %	22½%	25 %	15% 3 cts.	22½% 3½ cts.	25% 4 cts.
and per lb.....						
<i>Cotton Fabrics—</i>						
Grey.....	12½%	20 %	22½%	17½% 3 cts.	20% 3½ cts.	25% 4 cts.
and per lb.....						
Bleached.....	15 %	22½%	25 %	20% 3 cts.	22½% 3½ cts.	27½% 4 cts.
and per lb.....						
Coloured.....	20 %	25 %	27½%	22½% 3 cts.	27½% 3½ cts.	32½% 4 cts.
and per lb.....						
<i>Woollen and Worsted—</i>						
Yarn for weavers.....	Free	10 %	12½%	10% 10 cts.	17½% 15 cts.	20% 17½ cts.
and per lb.....						
<i>Fabrics—</i>						
5 oz. or less.....	22½%	30 %	35 %	27½% 25 cts.	35% 30 cts.	40% 35 cts.
more than 5 oz.....	27½%	35 %	35 %			
and per lb.....						
<i>Blankets—</i>						
wholly of wool.....	22½%	30 %	35 %	22½% 20 cts.	30% 25 cts.	35% 30 cts.
Cotton, etc.....	15 %	22½%	27½%			
and per lb.....						
<i>Hosiery—</i>						
Cotton stockings.....	20 %	27½%	30 %	30% \$1-00	32½% \$1-35	35% \$1-50
<i>Woollen stockings—</i>						
valued at more than \$1.50 per lb.....	27½%	32½%	35 %			
valued at 91 cts. to \$1.50 per lb.....	25 %	32½%	35 %			
valued at 90 cts. or less per lb.....	20 %	27½%	30 %			
Silk and art. silk stockings.....	25 %	32½%	35 %			
Socks and stockings of all kinds.....						
and per doz. pairs.....						
<i>Knit Goods—</i>						
Garments, underwear, etc.—						
valued at more than 90 cts. per lb.....	20 %	30 %	35 %			
valued at 90 cts. per lb. or less.....	15 %	30 %	35 %			
<i>Knitted Fabrics—</i>						
Cotton or Linen.....	20 %	27½%	30 %	25% 10 cts.†	35% 10 cts.‡	45%†
<i>Woollen or worsted—</i>						
5 oz. or less.....	22½%	30 %	35 %			
over 5 oz.....	27½%	35 %	35 %			
Silk.....	20 %	32½%	35 %			
Artificial Silk.....	20 %	30 %	35 %			
<i>Real Silk—</i>						
Broad Silk.....	17½%	32½%	35 %	27½% 10 cts.†	40% 10 cts.‡	45% 10 cts.‡
and per yard.....						

* This minimum specific duty was in fact the effective duty.

(†) Specific duties of 25 cts. and 30 cts. per lb. were added under the Intermediate and General Tariffs respectively, in 1933.

(‡) Added in 1931.

The above table is not presented as a complete account of the textile tariff rates, but is intended to give some indication of the sweeping upward revision in rates. A fuller account of the tariff history of textile items will be found in the appendix. Comparison of tariff schedules before and after September 1930 is difficult because of the introduction into the new schedules of specific rates and minimum duties; it is, therefore, necessary to give some estimate of the *ad valorem* equivalent of the compound rates in say, 1931. For this purpose, some extracts from the exhibits prepared by Mr. Hooper, Customs reviewing appraiser, are presented below:—

EXHIBIT 858—COTTON WARP YARN PER 100 LB.

	U.K. Selling Price	Ad Valorem Duty	Specific Duty
	£ s. d.	\$	\$
June 3, 1930.....	6. 5 0	4.56	none
September 1, 1930.....	5. 8 4	3.95	none
September 29, 1930.....	5. 0 0	3.28	2.70*
January 26, 1931.....	4. 9 7	2.94	2.70*

* 3 cts. per lb. less 10%.

EXHIBIT 860—COTTON FABRICS GREY GOODS PER 138 3/4 YDS—4.25 YDS PER LB.

	U.K. Selling Price	Ad Valorem Duty	Specific Duty
	£ s. d.	\$	\$
June 3, 1930.....	3 4 0	1.95	none
September 1, 1930.....	2 11 0	1.55	none
September 29, 1930.....	2 11 0	1.95	88 cts.
January 26, 1931.....	2 8 0	1.84	88 cts.

EXHIBIT 861—COTTON FABRICS GREY GOODS PER 138 3/4 YDS—2.6 YDS PER LB.

	U.K. Selling Price	Ad Valorem Duty	Specific Duty
	£ s. d.	\$	\$
June 3, 1930.....	3 6 0	2.01	none
September 1, 1930.....	3 0 0	1.83	none
September 29, 1930.....	3 0 0	2.30	1.20
January 26, 1931.....	2 9 0	1.88	1.20

EXHIBIT 820—COTTON WARP YARN PER 100 LB. NO. 10'S SINGLE IMPORTED FROM THE U.S.A.

	U.S. Selling Price	Ad Valorem Duty	Specific Duty
June 4, 1930.....	\$ 24.50	\$ 4.90	\$ none
October 17, 1930.....	19.50	4.39	4.00
June 1, 1931.....	16.00	3.60	4.00

EXHIBIT 829—GREY GOODS PER 1,000 YARDS—IMPORTED FROM U.S.A.—SHEETING 40", 48 x 48—2.85 YDS PER LB.

	U.S. Selling Price	Ad Valorem Duty	Specific Duty
June 6, 1930.....	\$ 88.75	\$ 19.97	\$ none
September 10, 1930.....	76.25	17.16	none
October, 1930.....	77.50	19.38	14.03
February 13, 1931.....	62.50	15.63	14.03

EXHIBIT 831—GREY GOODS PER 1,000 YDS—IMPORTED FROM U.S.A.—PRINT CLOTH 44", 48 x 48—6.40 YDS. PER LB.

	U.S. Selling Price	Ad Valorem Duty	Specific Duty
June 6, 1930.....	\$ 52.50	\$ 11.81	\$ none
September 10, 1930.....	45.00	10.13	none
October 7, 1930.....	47.50	11.88	6.25
February 13, 1931.....	43.75	10.94	6.25

EXHIBIT 839—COTTON FABRICS PER 1,000 YARDS—IMPORTED FROM U.S.A.—VAT PRINTS, DARK COLOURS, 36", 37", 80 x 80—4.00 YARDS PER POUND

	U.S. Selling Price	Ad Valorem Duty	Specific Duty
July 30, 1930.....	\$ 135.00	\$ 36.20	\$ none
December 16, 1930.....	135.00	43.88	10.00
February 16, 1931.....	132.50	43.06	10.00

The report of the Tariff Board in Reference 83 (Cotton Yarns, Cotton Fabrics and Artificial Silk Fabrics) contains the following mention of the effect of the compound duties:—

"In order that the weight of the compound ad valorem and specific duties may be clear, the average duty collected under the British Preferential Tariff on importations as reported in the Trade of Canada has been calculated for Tariff Items 522 and 522c, the two cotton yarn items with compound rates."

AVERAGE AD VALOREM EQUIVALENT OF COMPOUND DUTIES ON COTTON YARNS

Fiscal Years	Item 522	Item 522c
	Cotton Yarn, Singles n.o.p.	Cotton Yarn, n.o.p.
	per cent	per cent
1929.....	11.5	15.0
1930.....	11.8	15.0
1931.....	12.3	16.4
1932.....	15.8	19.6
1933.....	17.4	19.2
1934.....	16.1	18.6
1935.....	15.8	19.2

Again on page 44, of the same reference the following comment is made:—

"In order that the weight of the compound ad valorem and specific duties on the various cotton fabric items may be clear, the average ad valorem effect of the compound duties on the various items has been calculated from importations under the British Preferential Tariff as reported in the Trade of Canada. It should be remembered that any fluctuations in exchange are not reflected in these figures, as all the invoices are converted at par of exchange for duty purposes and all Customs duties are calculated on such invoice values. The import excise tax has not been included in any year."

AVERAGE AD VALOREM EQUIVALENT OF COMPOUND DUTIES ON COTTON FABRICS
Based on Invoice Values* and Duty Collected in Each Year as Reported in Trade of Canada

Fiscal Year	Item 523 Grey Cotton	Item 523a Bleached Cotton	Printed	Item 523b Piece Dyed	Yarn Dyed
1929.....	12.5	15.0	18.0	18.0	18.0
1930.....	12.5	15.0	18.0	18.0	18.0
1931.....	14.4	16.7	20.0	19.8	18.7
1932.....	22.9	22.8	24.5	24.8	23.9
1933.....	21.5	22.3	23.8	24.3	24.1
1934.....	21.4	21.7	23.3	23.7	23.4
1935.....	21.6	21.6	23.4	23.7	23.6

* The values shown in Trade of Canada for imports from the United Kingdom are the invoice values converted into Canadian currency at the par of exchange. During the period when the pound sterling was depreciated in terms of the Canadian dollar the values shown in Trade of Canada would be higher than the actual values and the duties as a percentage of invoice value would appear lower than if calculated on the actual value of the imports.

The problem of valuation of imports is involved whenever *ad valorem* rates of duty apply on imports, as it is first necessary to establish the dutiable value of an import before the duty can be calculated. The real degree of protection resulting from any given percentage rate of duty may vary considerably according to the principles of valuation employed. The period from 1930 to 1935 was characterized by drastic use of special valuations for purposes of increasing protection. The changes in the law are briefly explained in the following paragraphs, after which the administration of the law is illustrated.

VALUATION FOR DUTY

The main provisions of the Customs Act relating to valuation for duty are contained in sections 35 to 45 and section 55. Section 35 contains the basic principle that the value for duty shall be the fair market value when sold for home consumption in the principal markets of the exporting country at the time of export. This section also provides for the valuation of goods from foreign countries whose currency is substantially depreciated by the use of

values of similar goods in Great Britain, or, in the event of the goods not being made in Great Britain, in any European country the currency of which is not substantially depreciated (sec. 35, 2-3). These subsections, however, have seldom been invoked in recent years although in the immediate post-war period this method was employed.

Prior to September, 1930, the fair market value was further defined by section 36 as follows:—

“Such market value shall be the fair market value of such goods, in the usual and ordinary commercial acceptance of the term, and as sold in the ordinary course of trade: Provided that a discount for cash, for duty purposes, shall not exceed two and one-half per cent, and shall not be allowed unless it has been actually allowed and deducted by the exporter on the invoice to the importer.”

On September 17, 1930, this section 36 was repealed and a new section, containing two subsections, was enacted:—

“(1) Such market value shall be the fair market value of such goods in the usual and ordinary commercial acceptance of the term, and as sold in the ordinary course of trade, such value in no case to be lower than the selling price thereof to jobbers or wholesalers generally at the time and place of shipment direct to Canada.

“(2) Provided that the value for duty of new or unused goods shall in no case be less than the actual cost of production of similar goods at date of shipment direct to Canada, plus a reasonable advance for selling cost and profit, and the Minister shall be the sole judge of what shall constitute a reasonable advance in the circumstances and his decision thereon shall be final.”

This new subsection (2) made the Minister the sole judge of what constitutes “a reasonable advance for selling cost and profit.” This was a reversion to the law of 1921, which contained a similar provision, repealed in 1922.

In July, 1934, subsection 1 of section 36 was repealed. This repeal left the fair market value as defined in section 35 with the proviso that it should not be less than the cost of production as defined in the unrepealed part of section 36.

The “reasonable advance for selling cost or profit” in section 36 was somewhat clarified and restricted by the addition of the following words to the section in June, 1936:—

“ . . . such advance not to be greater than that which in the ordinary course of business, under normal conditions of trade is adequate in the case of goods similar to the particular goods under consideration by manufacturers or producers of goods of the same class or kind in the country of export when sold for home consumption.”

This section requires a word of observation on my part. As enacted in 1930 it provided a minimum limitation in the value of goods for duty purposes composed of two factors: (1) such value was in no case to be less than the “actual cost of production” of similar goods, and (2) to this “actual cost of production” was to be added “a reasonable advance for selling cost and profit” to be determined finally by the Minister. The amendment of 1936 guides and limits the exercise of the Minister’s discretion in fixing the “reasonable advance for selling cost and profit”; but it still leaves the actual cost of production as if it was something capable of accurate determination. The cost of production in question is such cost in the country of origin of the goods. The officials of the Customs service are no doubt faced with serious difficulties in determining the cost of production for individual firms in a foreign country. The evidence submitted to me on this subject of the cost of the production of any particular article, for example in Canada or in the United States, shows that such cost can only be approximated, and then only through the use of certain accounting methods and the setting up of certain standards, sometimes of doubtful accuracy and application. This evidence also shows that costs of production may vary from mill to mill because of differences in operations and in methods of cost accounting. I shall, of course, have something more to say at a later period regarding the costs of production in Canada. My intention at this time is to

call attention to two points which were stressed before me on the argument which followed the taking of the evidence. These points are: (1) the difficulty of application of the "actual cost of production" formula which I have just described and (2) the suggestion, supported by a reference to Exhibits 827, 828 and 829, that the machinery for arriving at the foreign cost of production may be used, on occasion, unduly to enhance the value of imported goods for duty purposes, for instance, by using one rule of costs for goods produced in a given country, regardless of where they might be produced in that country or by whom they might be produced. However, I was assured, at the time of the argument, that the policy of fixing general valuations of too broad a character, has since been discontinued.

All that remains, therefore, to be noted now on this subject is that the "actual cost of production of similar goods at date of shipment," is by its nature of extreme difficulty, and that those whose duty it is to apply the test must keep themselves within its limitations which are in point of subject-matter, the *actual* cost of production of *similar* goods, and in point of time, this cost on the date of the shipment of the goods direct to Canada.

FIXED VALUATIONS

Section 41 of the Customs Act provides for the valuation of goods when the fair market value is difficult to determine, e.g. when the goods are not sold for use in the country of production, when the goods are only leased, or where they are imported under any unusual conditions. This section is of limited application and no objection to its provisions, or to the manner of its application, was taken before me.

Section 43 of the Customs Act provided, prior to September, 1930, for special valuation of "natural products of a class or kind produced in Canada" when it appeared that such goods were being imported into Canada under such conditions as would prejudicially or injuriously affect the interests of Canadian producers or manufacturers. Under such circumstances the Governor in Council could authorize the Minister of National Revenue to fix the value for duty and the value so fixed was deemed to be the fair market value.

This section was amended in September, 1930, to make it applicable to goods of any kind instead of to natural products only. As in the case of appraisals made under section 36 which are in excess of the home market prices, the fixed valuations under section 43 lead to the application of the dumping provisions of the Customs Tariff Act (that is, when the market value so fixed is higher than the exporter's price).

An amendment in November, 1932, limited the provisions of this section to goods not entitled to entry under the British Preferential Tariff or any lower tariff. The Department of National Revenue ruled that the amendment did not alter the valuations that had previously been fixed on goods entitled to entry under the British Preferential Tariff. This ruling was contested before the Tariff Board. The Tariff Board ruled that the Department was in error in maintaining fixed valuations on British goods after the amendment to the statute. The power of the Tariff Board to make this ruling was referred to the Supreme Court of Canada. The Supreme Court decided that the Tariff Board had no jurisdiction in the matter. Thereupon an action was brought by an importer in the Exchequer Court to recover duties overpaid by reason of these fixed valuations having been maintained. The Exchequer Court decided in favour of the importer in November 1935, and refunds have since been paid.

In June 1936, the section was further amended by adding subsection 3, which reads as follows:—

"(3) In the case of any value for duty established under the provisions of this section after the first day of January, 1936, any interested person may apply to the Tariff Board

by way of appeal therefrom. The Tariff Board shall thereupon conduct a public inquiry and make its finding as to whether, to what extent, and for what period such value is required to prevent the importation of goods into Canada from prejudicially or injuriously affecting the interests of Canadian producers or manufacturers. If no fixed value is found by the Tariff Board to be required, or if a lower value is found to be appropriate, the finding of the Tariff Board will become at once effective. If appeal is made to the Tariff Board such value authorized by the Minister shall in default of any finding by the Tariff Board in the meantime cease to have force and effect upon the expiration of three months from the date of any such application to the Tariff Board."

This amendment gives a valuable check to the indiscriminate use of fixed valuations. A forecast of its enactment was contained in the agreement between Canada and Japan negotiated in the autumn of 1935 and referred to in the first chapter of this report. It was also part of the agreement made between Canada and the United States shortly before the Canada-Japan agreement.

DUMPING AND CURRENCY VALUATION

I think it will help to clarify the subject to be treated in this section if I begin by a very brief review of the history of dumping, showing the various forms dumping has assumed from time to time and the different means taken to nullify its effect upon importing countries. To achieve this end, I think I cannot do better than to cite, as I proceed, certain extracts from an article on the subject written by Mr. Jacob Viner for the "Encyclopaedia of the Social Sciences." The author says:—

"In its original meaning and as now used by careful writers in English and in many other languages in which the term has become fairly well established it signifies sale for export at prices lower than those charged to domestic buyers."

Certain examples of dumping in this original meaning of the term, which took place at earlier periods in the history of international trade relations are then given in the article, as for instance:—

"An Elizabethan writer charged foreigners with selling paper at a loss in England in order to crush a new domestic policy The first American fine china pottery, set up before the revolution, failed, it was claimed, because of predatory English dumping."

It will next be interesting to cite the author's views on the beneficial or harmful effects of dumping:—

"To the importing country cheapness of imports is an advantage, unless the cheapness is so temporary that it results in greater injury to domestic industry than benefit to consumers. Importing countries have legitimate ground for taking protective measures against dumping only because dumping is usually intermittent or short run and can never be depended upon to continue indefinitely. Even when the importing country has no competing industry it may be injured by temporary dumping if this results in the establishment by the dumper of monopoly control over its market."

Prior to the year 1904, the only measure provided by the Parliament of Canada to meet the importation of goods dumped into this country took the form of a valuation for duty purposes on the basis of the actual market price of the goods in the country of origin, instead of the basis of the dumping price. A section in the Customs Act of 1867 apparently intended, among other things, to prevent or to lessen the effect of dumping, was amended in 1883 to read as it does at the present day in section 35 (1) of the Customs Act, which is as follows:—

"35. Whenever any duty ad valorem is imposed on any goods imported into Canada, the value for duty shall be the fair market value thereof, when sold for home consumption in the principal markets of the country whence and at the time when the same were exported directly to Canada."

In 1904, Parliament, without repealing or amending the aforesaid 35 (1), provided an additional impost against dumping by enacting as follows in the Customs Tariff Act:—

"19 (1) Whenever it appears to the satisfaction of the Minister of Customs or of any officer of customs authorized to collect customs duties, that the export price or the actual

selling price to the importer in Canada of any imported dutiable article of a class or kind made or produced in Canada, is less than the fair market value thereof, as determined according to the basis of value for duty provided in the Customs Act in respect of imported goods subject to an ad valorem duty, such article shall, in addition to the duty otherwise established, be subject to a special duty of customs equal to the difference between such fair market value and such selling price; provided, however, that the special customs duty on any article shall not exceed one-half of the customs duty otherwise established in respect of the article, except in regard to the articles mentioned in items 224, 226, 228 and 231 in Schedule A to the Customs Tariff, 1897, the special duty of customs on which shall not exceed fifteen per cent ad valorem, nor more than the difference between the selling price and the fair market value of the article."

Referring to this last enactment, Mr. Viner says:—

"Anti-dumping legislation made its appearance in response to the clamor raised against the allegedly injurious effects of American and German dumping. In 1904 Canada enacted the first anti-dumping law specifically providing for the imposition of additional duties on imports sold at dumping prices."

The author then points out that different countries later on followed Canada's example. He cites the Union of South Africa in 1914, and the United States, Great Britain, Australia, New Zealand and Newfoundland in 1921.

The effect of the two above cited enactments was to set up two penalties against goods dumped upon the Canadian market: (1) their assessment for duty upon the higher home market price, instead of the lower dumping price, and (2) the levying upon them of a special duty equal to the difference between these two prices, with the 50 per cent limitation set out in the 1904 Statute.

No change in principle was made in reference to dumping until the period beginning after the Great War, when a new form of dumping came into being known as currency dumping. On this subject Mr. Viner says:—

"During the post-war period the term exchange dumping duty has been applied to exports from certain European countries with rapidly depreciating currencies, although such exports have not necessarily involved lower prices than those charged to domestic buyers."

The first legislative provision in Canada against currency dumping was enacted in 1921. It was aimed at two things: (1) dumping from countries having depreciated currencies, and (2) the valuation of imports from countries having appreciated currencies. It is as follows:—

"Section fifty-nine of the said Customs Act is amended by adding thereto the following subsection:—

"(6) Notwithstanding any of the provisions of this section, in computing the value for duty of the currency of an invoice, no reduction shall be allowed in excess of fifty per cent of the value of the standard or proclaimed currency of the country from whence the goods are invoiced to Canada, irrespective of the rate of exchange existing between such country and Canada on date of the shipment of the goods; and in respect of goods shipped to Canada from a country where the rate of exchange is adverse to Canada, the value for duty of the currency of the invoice shall be computed at the rate of exchange existing between such country and Canada at the date of the shipment of the goods."

Since 1921 there has been a considerable evolution in the legislation of this country designed to deal with currency dumping. It will suffice for present purposes to refer to the statutory provisions now in force. These are: The Customs Act, section 35, (2), (3) and (4); section 55, (3) and (4); The Customs Tariff Act, section 6.

These three statutory provisions are as follows:—

"35-2. In the case of importations of goods the manufacture or produce of a foreign country, the currency of which is substantially depreciated, the value for duty shall not be less than the value that would be placed on similar goods manufactured or produced in Great Britain and imported from that country, if such similar goods are made or produced there.

3. If similar goods are not made or produced in Great Britain, the value for duty shall not be less than the value of similar goods made or produced in any European country the currency of which is not substantially depreciated.

4. The Minister may determine the value of such goods, and the value so determined shall, until otherwise provided, be the value upon which the duty on such goods shall be computed and levied under regulations prescribed by the Minister."

"55-3. Whenever the value of a currency has not been proclaimed, or whenever there is no fixed standard value, or whenever from any cause the value of a currency has become depreciated or appreciated, there shall be attached to the invoice of the goods imported the certificate of some Consul or Canadian Trade Commissioner, resident in such place or country, or the certificate of a bank showing the extent of such depreciation or appreciation, or the true value at the time of the exportation of the goods of the currency in which such invoice is made out as compared with the standard dollar of Canada: Provided that the collector may compute the value for duty at the rate of exchange certified by the bank through which the same is drawn as current at the time and place when and whence the goods were exported to Canada.

4. When the currency value is determined, as hereinbefore provided, at the time of entry, either by a Consul's or Canadian Trade Commissioner's certificate or by the certificate of a bank, such rate or value shall be final and not open to any readjustment by reason of the subsequent production of any certificate not corresponding in rate or value with that adopted."

"Section 6. (1) In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, or is less than the fair market value or value for duty thereof as determined under the provisions of section thirty-six of the *Customs Act* or is less than the value for duty thereof as determined by the Minister under the provisions of paragraphs (a) and (e) of section forty-one of the *Customs Act*, or is less than the fair market value thereof as fixed under the provisions of section forty-three of the *Customs Act*, there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special or dumping duty, equal to the difference between the said selling price of the article for export and the said fair market value thereof or value for duty thereof; and such special or dumping duty shall be levied, collected and paid on such article although it is not otherwise dutiable.

"Provided that when it is established that any articles though of a class or kind made or produced in Canada are not offered for sale to the ordinary agencies of wholesale or retail distribution or are not offered to all purchasers on equal terms under like conditions, having regard to the custom and usage of trade, such articles may be exempted from special or dumping duty.

"Provided that the said special duty shall not exceed fifty per centum *ad valorem* in any case, and the following goods shall be exempt from such special duty, namely:—

"Goods of a class subject to duty under the *Excise Act*.

"(2) Excise duties or excise taxes shall be disregarded in estimating the market value of goods for the purposes of special duty when the goods are entitled to entry under the British Preferential Tariff, Intermediate Tariff, or any tariff more favourable than the General Tariff.

"(2A) The Governor in Council, whenever it is deemed expedient to do so, may order that import, excise or other duties and taxes, in whole or in part, shall be disregarded in estimating the market value for the purpose of special duty of goods of any kind imported into Canada from any specified country.

"(3) Customs duties of the United Kingdom shall be disregarded in estimating the market value of wines for the purposes of special duty when the same are entitled to entry under the Intermediate Tariff or any tariff more favourable than the General Tariff and are bottled in bond in the United Kingdom and imported direct therefrom.

"(4) 'Export price' or 'selling price' in this section shall be held to mean and include the exporter's price for the goods, exclusive of all charges thereon after their shipment from the place whence exported directly to Canada.

"(5) If at any time it appears to the satisfaction of the Minister that the payment of the special duty by this section provided for is being evaded by the shipment of goods on consignment without sale prior to such shipment, the Minister may in any case or class of cases authorize such action as is deemed necessary to collect on such goods or any of them the same special duty as if the goods had been sold to an importer in Canada prior to their shipment to Canada.

"(6) If at any time it appears to the satisfaction of the Minister that any person owning or controlling or interested in a business in Canada and also in any other country, or any person carrying on a business in any other country and owning or controlling or interested in a business operating in Canada, and by reason thereof is enabled to import goods for further manufacture or assembling or for resale, and while complying with the legal requirements on importation disposes of such imported goods, whether in the form as imported or as further processed, assembled or manufactured, at prices below the duty paid value thereof as entered at Customs plus or including all charges upon the goods after shipment from the place whence exported directly to Canada, including sales, distribution

and advertising costs, and plus, if any, the cost of processing, assembling or further manufacturing in Canada, the Minister may declare that goods of such class or kind were and are on importation subject to an additional special or dumping duty not exceeding fifty per cent and authorize such action as is deemed necessary for the collection thereof.

"(7) If the full amount of any special duty of Customs as herein provided has not been paid on goods imported, the Customs entry thereof shall be amended and the deficiency paid upon the demand of the Collector.

"(8) The Minister may make such regulations as are deemed necessary for carrying out the provisions of this section and for its enforcement.

"(9) (a) Notwithstanding the provisions of any other law, the Governor in Council may, from time to time and as occasion requires, order and direct, subject to such exceptions as may be made, what shall be the rate of exchange fixed for any currency in computing the value for duty of goods imported into Canada from any place or country the currency of which is depreciated, and in case a sum in Canadian currency less than the invoice value of the goods in the currency of the place or country of export, computed at the rate of exchange so ordered, be paid for the goods, the actual selling price of the goods to the importer shall be regarded as less than the fair market value of the goods when sold for home consumption, and the provisions of this section shall apply and special or dumping duty shall apply equal to the difference between the value of the invoice computed at the current rate of exchange or at the average current rate from time to time fixed by order of the Governor in Council, and the value of such invoice, computed at the rate of exchange for duty so ordered as aforesaid, or may be less than such difference as the Governor in Council may from time to time order and direct; and the Governor in Council may order and direct that in all cases of sales or consignments of goods imported into Canada, where the importer owns, controls or is interested in the business of the exporter, or the exporter owns, controls or is interested in the business of the importer, or the importer and exporter operate under a controlling or holding company, notwithstanding the expressed terms of the sale or consignment, the transaction shall be regarded as a sale and the actual selling price to the purchaser in Canada shall be taken to be the value of the goods in the currency of the place or country of export converted into Canadian currency at the current rate of exchange, or at the average current rate from time to time fixed by order of the Governor in Council, and shall be regarded as less than the fair market value of the goods when sold for home consumption, and the provisions of this section shall apply and special or dumping duty shall be deemed to apply equal to the difference between the value of the invoice computed at the current rate of exchange or at the average current rate from time to time fixed by order of the Governor in Council, and the value of such invoice computed at the rate of exchange for duty so ordered as aforesaid, or may be less than such difference as the Governor in Council may from time to time order and direct.

(b) Any Order in Council made hereunder may be varied, extended or revoked at any time by the Governor in Council.

(c) This subsection shall be deemed to have had effect from and after the first day of September, 1931. 1931, c. 30, s. 6; 1933, c. 37, s. 1.

"(10) For the purposes of this Act articles shall not be deemed to be of a class or kind made or produced in Canada unless so made or produced in substantial quantities; and the Governor in Council may by Order in Council provide that such quantities, to be substantial, shall be sufficient to supply a certain percentage of the normal Canadian consumption and may in such Order fix such percentage.

"(11) (a) Notwithstanding the provisions of any other law, the Governor in Council may, from time to time and as occasion requires, and without having regard to the requirements of section fifty-five of the Customs Act, order and direct, subject to such exceptions as may be made, what shall be the rate of exchange fixed for any currency in computing the value for duty of goods imported into Canada from any place or country, the currency of which is appreciated in terms of the Canadian dollar.

"(b) In cases where, under the power granted by this subsection, the Governor in Council shall have fixed the rate of exchange for any currency in computing the value for duty of goods imported into Canada, special or dumping duty shall not apply when the export or actual selling price is equal to or greater than the value for duty so computed and where the same is less than the value for duty so computed, special or dumping applicable shall not be greater than the difference between the said export or actual selling price and the value for duty so computed."

Section 6 of the Customs Tariff Act, prior to September, 1930, provided for a dumping duty, on goods of a class or kind made in Canada, when the selling price to an importer in Canada was less than the fair market value of similar articles when sold for home consumption in the country of export. The dumping duty was to be equal to the difference between the selling price to the importer in Canada and the home market value, but this special duty was not to exceed

15 per cent *ad valorem* and was not to apply to goods on which other duties equalled 50 per cent. This section was repealed in 1930 and a new section adopted. The enactment in 1930 provided that a special duty was to be imposed not only when the selling price to an importer in Canada was less than the home market value but also if it were less than the fair market value as determined under the provisions of sections 36, 37, 41, ss. (a) and (e) or 43 of the Customs Act. The special duty was not to exceed 50 per cent *ad valorem*. The section as enacted in 1930 with amendment relating to currency duties in 1933 was substantially the same as the present section except that now, by an amendment passed in 1936, goods of a class or kind made in Canada are further defined.

The complaint made against the provisions of section 6, ss. (9a) of the Customs Tariff Act is that the power given to the Governor in Council to fix rates of exchange is one which might be used to provide an undue measure of protection to Canadian industries, especially when the high exchange parity is maintained after costs of production in the exporting country have risen, in proportion to, or nearly to, the extent of the depreciation in the national currency. This was one of the subjects of complaint made in the case of Japan, where, as has been shown, a proclaimed rate of 49·85 cents (the gold parity of the yen) was maintained from December, 1931, to August, 1935.

In general the objection raised to dumping duties is that they tend to increase the spread to the consumer between free trade prices and home, tariff-protected, prices.

On the other hand, Mr. Heward, counsel for the Dominion Textile Company called my attention to what, in his opinion, was an oversight in the wording of section 6 (1) of the Customs Tariff Act as it now reads. As amended in September, 1930, this section provides that the special or dumping duty referred to in the section shall be levied when the export price of the goods is less than their fair market value when determined, among other ways, by the application of sections 36 or 41, ss. (a) and (e), or 43 of the Customs Act. Mr. Heward's submission is that section 6 (1) of the Customs Tariff Act should be amended so as to accord the same treatment to valuations made under section 35 (2) and (3) of that Act. He has drafted and handed to me his proposed amendment in these words:—

"... that subsection 1 of Section 6 of The Customs Tariff Act (R.S.C., 1927, Ch. 44, as amended) be amended by inserting after the words "Section Forty-Three of the Customs Act" in the first paragraph of subsection 1 the words—

or is less than the value for duty provided for by subsection 2 or by subsection 3 of section 35 of the Customs Act."

The evidence shows that these subsections (2) and (3) of section 35 are now very rarely if ever applied, at least to textile importations, they being in fact superseded, for practical purposes, by the enactment in September, 1930, of what is now section 36 and of 43. Again, I am told that the application of section 35 (2) and (3) is hampered by great practical difficulties. All I can do respecting Mr. Heward's proposed amendment is to make note of it here for the attention of the Government.

The aforesaid section 6, ss. (1) and (9a) also gives the Governor in Council power to act so as to reduce these dumping duties in two ways: (1) by withholding the imposition of duties in cases where it is made to appear that any article of commerce is being made the subject of a monopoly by a Canadian producer, or Canadian producers, and (2) by declaring that the duty shall be less, in any given case, than the difference between the value of the invoice in the current, or average current, rate of exchange and its value in the proclaimed rate. So far as I have been able to ascertain, the power to combat an attempt at a monopoly by exempting certain importations from dumping duties, has been used only once since it was conferred upon the Governor in Council by amend-

ment in 1936. This action was taken in respect to an article outside the category of textiles. The provision authorizing the imposition of a duty less than the difference between the two values in question has been employed only in respect to Great Britain, beginning on October 24, 1931. Since May 1, 1933, no currency exchange duty under this section 6 (9a) has been imposed against Great Britain.

Another point which must not be overlooked is that when the Canadian currency is depreciated in terms of foreign currencies the discount on our funds gives additional protection to home manufacturers in the Canadian market, at least until the Canadian costs of production have risen to an extent corresponding to the depreciation of the money. The following table indicates the relative depreciation of currencies during the period 1931 to 1937. It will be noted that from 1932 to 1936 the Canadian dollar was seriously depreciated in terms of the currencies of countries remaining on the gold standard, e.g., France, Netherlands, Switzerland and the United States until 1933, and that this factor served as an addition to the high tariffs which were enacted in 1930.

13. VALUE OF CURRENCIES AS PERCENTAGE OF THEIR GOLD PARITY IN 1929

Parity 1929 in Gold Cents Average	Canada	United Kingdom	United States	Japan	Nether- lands	France	Switzer- land
1931	96.3	93.2	100.0	98.0	100.1	100.1	100.6
1932	88.1	72.0	100.0	56.4	100.3	100.3	100.6
1933	73.2	68.1	80.6	40.4	100.1	100.0	100.2
1934	60.2	61.8	59.7	35.6	100.0	100.0	100.1
1935	59.1	59.8	59.4	34.2	100.0	100.0	100.0
January.....1936	59.1	60.3	59.2	34.4	100.3	100.0	100.1
December.....1936	59.1	59.6	59.1	33.8	80.2	70.4	70.4
November.....1937	59.1	60.6	59.1	34.5	81.5	51.2	70.9

SPECIAL EXCISE TAX

One other tax should be mentioned which has served to increase the protection of Canadian textile manufacturers since the early period of the depression. This is the tax which, although called the special "excise" tax is levied only on imported goods and not on goods of home manufacture. It was first applied on June 2, 1931 (Exhibit 816) when a tax of one per cent was levied on the Customs duty-paid value of textile importations. It is true this tax has been applied on imported raw materials for Canadian textile manufacturers. Nevertheless, as raw materials form only one part of total manufacturing cost, and as the special excise tax is imposed on the value of importations including all customs duties other than special duties, it does increase the relative protection on finished goods. The history of this special excise tax on importations as given in Exhibit 816 is as follows:—

	Rate on Customs Duty-Paid Value of Importations
June 2, 1931 to April 6, 1932.....	1%
April 7, 1932 to April 18, 1934.....	3%
April 19, 1934 to March 22, 1935.....	3%
March 23, 1935.....	but 1½% on importations entitled to entry under the British Preferential Tariff or under trade agreements between Canada and other British countries. 3%
	but special excise tax removed from importations entitled to entry under British Preferential Tariff or under trade agreements between Canada and other British countries.

The special excise tax on importations was increased to 3 per cent in April 1932, and has since been maintained at this rate, saving this exception: under the British Preferential Tariff the rate was reduced to 1½ per cent in April 1934, and removed entirely in March 1935. The present position of the Canadian textile industry in this regard is that the excise tax must be paid on imported raw materials not of British origin, whereas importations of finished British products under the British Preferential Tariff and British trade agreements bear no special excise tax.

In dealing with the Japanese question in Chapter I, I referred to the large importations of Japanese raw silk into Canada from the United States. This indirect importation was attributable to the lesser excise duty payable on United States imports than on those coming from Japan on account of the difference in the currency exchange situation between Japan and Canada on the one hand and the United States and Canada on the other. Nevertheless, although the exchange situation with Japan is now much more favourable than it was before January 1, 1936, these importations still follow the established United States channels.

SECTIONS 36 AND 43

Special valuations on textile products under section 36 or 43 of the Customs Act were dealt with in the following manner:—

(a) *Fixing of Definite Value under Section 36 (2)*

(cost of production plus a reasonable advance for selling cost and profit)

- (1) Departmental letter, April 7, 1932 (Exhibit 827) amplified by Departmental Letter, September 13, 1932 (Exhibit 828).

Cancelled by Appraisers' Bulletin No. 4096, September 5, 1933 (Exhibit 828).

Values were listed for cotton fabrics in the grey, bleached, dyed or printed from the United States, based on New York spot raw cotton price of 7 cents per pound. For every change of one cent per pound in the price of raw cotton the appraisal was to be changed 1·2 cents per pound.

Constructions and widths not listed in the bulletin were to be appraised proportionately.

- (2) Departmental letter, April 14, 1932 (Exhibit 848).

Cancelled by Appraisers' Bulletin No. 4166, February 24, 1934.

Special valuations were made for cotton fabrics from the United States, woven from dyed yarns of more than one colour, such as denims and chambrays.

	Value for duty
1st—Goods weighing 2·50 square yards per pound, or heavier	22½ cents per lb.
2nd—Goods weighing lighter than 2·50 square yards per pound, but not lighter than 4·00 square yards per pound	33 cents per lb.
3rd—Goods weighing lighter than 4·00 square yards per pound	36 cents per lb.

The above values predicated on New York spot raw cotton price of 7 cents per pound with correction of 1·2 cents per pound fabric for each one cent per pound variation in price of raw cotton.

(b) *Fixing of Definite Valuation under Section 43**

Appraisers' Bulletin No. 3789, December 12, 1931 (Exhibit 847), applying to goods entering under *Intermediate or General Tariffs*.

Cancelled (in respect to Intermediate or Most-Favoured-Nation Tariff) by Appraisers' Bulletin No. 4459, effective January 1, 1936 (Exhibit 847).

Minimum values for duty were fixed in Canadian currency for the following:—

	Minimum Value for Duty
Tweeds, suitings, pantings, and similar fabrics, wholly of cotton weighing 6 oz. per square yard	25 cents per lb.
Flannelettes, robe cloths, blanketing, blanket cloths and similar napped fabrics, wholly of cotton, weighing 6 oz. or more per square yard	40 cents per lb.
Flannelettes, robe cloths, blanketing, blanket cloths and similar napped fabrics, wholly of cotton, weighing less than 6 oz. per square yard	44 cents per lb.
Woven fabrics, composed wholly of artificial silk when dutiable under Tariff Item 561	\$1.25 per lb.

(c) *Advance on Invoice Value under Section 43**

Appraisers' Bulletin No. 3886, June 7, 1932, (Exhibit 878).

Cancelled (in respect to Intermediate or Most-Favoured-Nation Tariff) by Appraisers' Bulletin No. 4462, effective January 1, 1936.

An advance of 25 cents per pound on the invoice value in Canadian funds was provided in the case of wool jersey cloth and 10 cents per pound on the invoice value of cotton stockinette. (This was scarcely a *fixed* valuation as the advance of 25 cents per pound or 10 cents per pound was made regardless of the selling price.)

* An amendment to the Customs Act in 1933 excluded goods entering under the British Preferential Tariff or any lower tariff. Existing valuations in respect to such goods were held inoperative by the Exchequer Court in November, 1935.

The effects of the appraisals made under the regulations set out above may be illustrated by reference to some of the exhibits prepared by Mr. Hooper. Exhibit 829 deals with sheeting on which definite valuations were set in the Departmental letter of April 7, 1932. This increased the value for duty above the invoice value, thus increasing the *ad valorem* duty and also the excise tax, and, in addition, led to the imposition of a dumping duty equal to the difference between the fixed valuation and the invoice value in Canadian funds.

40" SHEETING, 48 x 48, 2.85 YDS. PER LB.—GREY GOODS—IMPORTED FROM THE UNITED STATES

(Prepared from Exhibit 829)

	April 6, 1932	May 6, 1932
General Tariff.....	25% and 4 cts. per lb.	
Invoice Value (In Canadian Currency).....	\$ 55.32	\$ 51.66
Value for duty.....	55.32	67.02
Ad Valorem Duty—25%.....	13.83	16.76
Specific Duty—4 cts. per lb.....	14.03	14.03
Total, Regular Duties.....	27.86	30.79
Excise Tax.....	0.83	2.93
Special Duties.....	None	15.36
Total Duties (Regular, Special and Excise Tax).....	28.69	49.08

It will be noted that while the invoice value was \$55.32 in April, 1932, and \$51.66 in May, 1932, the value for duty as the result of the appraisal under section 36 (2) was advanced from \$55.32 to \$67.02 and that a dumping duty of \$15.36 (difference between \$67.02 and \$51.66) was levied in May. The *ad valorem* duty and excise tax were also increased by reason of the advance in the value for duty although the rate of excise duty was raised from one per cent to three per cent between the two dates.

The immediate effect of the fixing of minimum valuations under section 43 in respect to a considerable range of fabrics as given in the Appraisers' Bulletin of December 12, 1931, was similar to that described for the valuations under section 36 (2). But as the valuations under section 43 remained fixed regardless of the movement of market prices the tariff might become more or less onerous depending on the movement of export prices. It may also be pointed out that the appraisals given in Exhibits 827, 828 and 848 applied only on imports from the United States, whereas the valuations under section 43 were the same for cheaper fabrics from Japan as for dearer lines from European countries or the United States. The following illustration of the effect of the minimum valuations is drawn from Exhibit 855 which relates to flannelette imported from the United States.

FLANNELETTE, 27", 6-00 YDS. PER LB.—BLEACHED FABRIC—IMPORTED FROM
THE UNITED STATES

(Prepared from Exhibit 855)

	January 31, 1931	February 17, 1932
General Tariff.....	27½% and 4 cts. per lb.	
Invoice Value (In Canadian Currency).....	\$ 75.00	\$ 60.11
Value for Duty.....	75.00	73.33
Ad Valorem Duty—27½%.....	20.63	20.17
Specific Duty—4 cts. per lb.....	6.67	6.67
Total, Regular Duties.....	27.30	26.84
Excise Tax—1%.....	None	1.00
Special Duties.....	None	13.22
Total Duties (Regular, Special and Excise Tax).....	27.30	41.06

The valuations under section 43 which were applied to wool jersey cloth and cotton stockinette differed from those already described in that an arbitrary advance was made on the invoice price. This had the effect of not only increasing the value for duty but making the dumping duty equal to the amount of the advance, i.e. the difference between the invoice value and the value for duty. Exhibit 879 which relates to imports of knitted wool jersey cloth shows the effect of this form of valuation which was established on June 7, 1932.

KNITTED WOOL JERSEY CLOTH IMPORTED FROM GREAT BRITAIN AND FROM
THE UNITED STATES

(Prepared from Exhibit 879)

	From Great Britain		From United States	
	May, 1932	August, 1932	May 16, 1932	July 27, 1932
Rate of Duty.....	B.P. 25% less 10%		General 45%	
	\$	\$	\$	\$
Invoice Value (In Canadian Currency).....	77.06	76.88	135.03	139.50
Value for Duty.....	91.25 (a)	101.88	135.03	164.50
Ad Valorem Duty.....	20.53	22.92	60.76	74.02
Excise Tax—3%.....	3.35	3.74	5.87	6.86
Special Duties.....	5.44 (b)	25.00	.....	* 25.00
Total Duties (Regular, Special and Excise Tax).....	29.32	51.66	66.63	105.88

(a) Based on pound sterling at \$4.86½.

(b) Currency duty based on difference between pound sterling at \$4.40 and current exchange rate, \$4.10.

Although the invoice value in Canadian funds of the import from Great Britain was lower in August, 1932 than in May, the higher value for duty resulting from the advance of 25 cents per pound increased the regular duty and also the excise tax. The currency duty of \$5.44 was replaced by the dumping duty of \$25 (25 cents per pound advance on 100 pounds).

The raising of the Intermediate and General tariff rates in September, 1930, and the following years make the British Preferential the most important rates in the Canadian textile tariff from the point of view of controlling domestic prices. The margins between these Preferential rates and the Intermediate and General tariffs affect the distribution of the imports between Great Britain and other countries. The following table shows the shift in the proportions of dutiable textile imports between the fiscal years 1929-30 and 1935-36 from foreign to United Kingdom sources of supply.

14. PROPORTIONS OF DUTIABLE TEXTILE IMPORTS ENTERED FOR CONSUMPTION
1929-30 AND 1935-36

(000 omitted)

Source	1929-30		1935-36	
	\$	%	\$	%
Total.....	121,104	100.0	38,575	100.0
United Kingdom.....	55,024	45.4	25,385	65.8
Other British Countries.....	389	0.3	256	0.7
United States.....	32,685	27.0	6,977	18.1
Other Foreign Countries.....	33,006	27.3	5,957	15.4

Although some reductions were made in British Preferential rates of duty under the United Kingdom Trade Agreement described below, it was provided that the spread between British Preferential and Intermediate tariff rates should not be lessened during the life of the agreement on a considerable number of textile items, thus "freezing" the tariff on these lines.

THE CANADA-UNITED KINGDOM TRADE AGREEMENT, 1932

As a result of the Ottawa Agreement of 1932 some reductions were made in the British Preferential duties from the levels established in 1930-31. The principle of the agreement from Canada's viewpoint was that "protection by tariffs shall be afforded against United Kingdom products only to those industries which are reasonably assured of sound opportunities for success," (Art. 10) and that "protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production," (Art. 11). The agreement also obligated the Canadian Government to constitute the Tariff Board which would be empowered to review the duties on any commodities on request by the Government of the United Kingdom to the Canadian Government. The Canadian Government undertook to preserve the margin of British Preference on articles agreed upon and to eliminate all surcharges on imports from the United Kingdom as soon as the finances of Canada would permit.

The lowering of duties on the chief cotton items under the Trade Agreement of 1932 consisted, in the main, of a reduction of one-third in the specific duties which had been imposed in 1930 and the maintenance of *ad valorem* rates. The specific duties of 3 cents per pound on the yarn and fabric items set out in the first part of this chapter were reduced to 2 cents per pound. The specific duty of 20 cents per pound on cotton blankets was reduced to 10 cents, but the *ad valorem* rate was maintained.

Special provision was made in the Agreement of 1932 for finer quality cotton fabrics, grey, bleached or coloured, composed of yarns of counts of 100 or more. These were made free under the British Preferential Tariff with rates of 27½ per cent plus 3½ cents per pound under the Intermediate and 32½ per cent plus 4 cents per pound under the General Tariff.

No tariff changes were made under the Agreement for silk or artificial silk products although in April, 1934, after an inquiry by the Tariff Board the minimum duty on artificial silk yarn was reduced from 28 cents per pound to 20 cents per pound under the British Preferential Tariff.

Specific duties on the main items for woollen products were reduced generally by one-quarter and the *ad valorem* rates maintained. For example, the specific duty on worsted yarns was reduced from 10 cents to 7½ cents per pound, and on the general fabric item from 25 cents to 18¾ cents per pound. This rate on fabrics remained in effect until March, 1935, when the duties were changed to 27½ per cent and 17 cents per pound, with a proviso that the sum of the specific

and *ad valorem* duties should not exceed 65 cents per pound. The light-weight grey fabrics were subdivided into those not exceeding in weight 4 ounces per square yard, which were made duty-free, and those from 4 to 6 ounces, on which the specific duty was reduced from 12½ cents to 9¼ cents.

The specific duty on socks and stockings was reduced under the Agreement from \$1 per dozen pairs to 75 cents. Reductions were also made in the specific duties on blankets and steamer rugs. On carpets the specific duty was cut in half, being reduced from 10 cents to 5 cents per square foot.

The policy followed in regard to currency valuation and the excise tax on British imports has already been described. The amendment of section 43 of the Customs Act in 1933 to limit the provisions of the section to goods not entitled to entry under the British Preferential Tariff has also been mentioned.

TARIFF REDUCTIONS SINCE 1932

The Ottawa Agreement was to run for a term of five years and because of the provision for maintaining the margin of British preference no changes could be made in the Intermediate or General tariffs without a corresponding reduction in the Preferential rates. Apart, then, from the changes in the Preferential rates on artificial silk yarns in 1934 and on woollen and worsted fabrics, n.o.p., in 1935, no important alterations were made in the textile tariffs until 1936. A change in tariff policy was indicated, however, by the conclusion of the Canada-United States Trade Agreement in December, 1935, and the settlement of the trade dispute with Japan.

Under the terms of the agreement with the United States, imports from that country were entitled to the benefits of the Intermediate Tariff and the special rates and discounts provided under the Canada-France Agreement, 1933. Some special rates were also provided in the United States Agreement but these did not affect any important textile items. In addition to the undertakings in the agreement, the Government of Canada was committed through a letter from its Washington Chargé d'Affaires to the United States Secretary of State, written on November 15, 1935, and made public a few days later, to certain important changes in customs administration. As this letter indicates so clearly the nature of the modifications which foreign exporters desired and the attempt which would be made to remove complaints, it is here quoted in full.

“CANADIAN LEGATION,

WASHINGTON, November 15, 1935.

“SIR,—At the moment of signature of the Trade Agreement between Canada and the United States of America, I am directed by the Secretary of State for External Affairs to state for the information of your Government that it is the intention of His Majesty's Government in Canada to invite Parliament at its next session to enact legislation amending the provisions of the Customs Act presently fixing the methods of determining the value of merchandise for duty purposes as a step toward the realization of their declared objective of eliminating arbitrary executive interference with the normal courses of trade. They propose, at the first opportunity, to press forward with the reform of the administrative provisions of the Customs Act with this end in view, and I believe that the modifications which they have in mind and which have been discussed with representatives of your Government will stabilize and safeguard the value of the mutual concessions in rates of duty incorporated in to-day's agreement.

“In revising the methods of determining the value of merchandise for duty purposes the following principles, among others, will be incorporated in the contemplated amendments to the Customs Act of Canada:

“(a) The value for duty established under authority of Section 36 (2) will not include an advance for selling cost or profit greater than that which in the ordinary course of business under normal conditions of trade, is added, in the case of goods similar to the particular goods under consideration, by manufacturers or producers of goods of the same class or kind in the country of export.

"(b) No rate of discount established under Section 37 will operate to increase the value for duty of any goods beyond the price at which such or similar goods are freely offered for sale to purchasers at the time and place of shipment in the country of export, in the usual quantities and in the ordinary course of trade.

"(c) In the case of any value for duty which may be established under authority of Section 43, other than those provided for in Schedule I of the Trade Agreement signed to-day, opportunity will be afforded for appeal to the Tariff Board respecting any such value in order to ascertain and make public the finding whether, to what extent, and for what period, such value may be required to prevent the importation of the goods into Canada from prejudicially or injuriously affecting the interests of Canadian manufacturers and producers.

"(d) In interpreting the words 'of a class or kind made or produced in Canada' provision will be made to make it clear that the phrase 'made or produced in Canada' in the context means 'made or produced in Canada in commercial quantities' and arrangements will be made for giving adequate notice of the transfer, for customs purposes, of a product from the category, 'not of a class or kind made or produced in Canada,' to the category 'of a class or kind made or produced in Canada.'

"Pending the entry into force of amendments of the Customs Act incorporating the substance of the foregoing principles, the competent Departments of the Canadian Government will, to the extent of their administrative discretion, give the fullest possible effect to these general principles in the administration of the Act.

"In the meantime and pending the entry into force of the legislative changes foreshadowed in this Note, the Canadian Government are prepared as from the 1st January, 1936, to cancel the values for duty purposes established under authority of Section 43 of the Customs Act of Canada and now applicable to the undermentioned goods, the produce or manufacture of the United States, on importation into Canada:—

Meats, fresh, prepared or preserved.	Roses, cut.
Eggs, frozen, dessicated, powdered, etc.	Canned Asparagus.
Loganberries, dried.	Eggs in the shell.
Slack cooperage stock.	Baby chicks.
Lime.	Peas, dried.
Doors of hardwood.	Beans, dried.
Women's and Children's clothing.	Market poultry.
Fabrics of cotton or of artificial silk.	Live stock.
Fringes, gimps and tassels.	Canned salmon.
Electric light fixtures, lamps and shades.	Sugar of milk.

"I am further directed to state that the Canadian Government propose to invite Parliament to permit the entry free of duty and charges of incidental purchases by residents of Canada returning from the United States of America, not exceeding the value of one hundred dollars, under regulations, particularly as to the frequency of such entry and duration of visits, to be prescribed, for such time as treatment substantially equivalent to that now in effect is accorded by the Government of the United States of America to incidental purchases by residents of that country returning from Canada.

"I have the honour to be,

"With the highest consideration,

"Sir,

"Your most obedient, humble servant,

"H. W. WRONG,

"Chargé d'Affaires."

"The Hon. CORDELL HULL,
"Secretary of State of the United States,
"Washington, D.C."

The changes in Customs law and administration which have been adopted as a result of the undertakings given in the letter of November 15, 1935, have already been described in foregoing paragraphs of this chapter.

TARIFF CHANGES, 1936

Rates of duty on a number of cotton and artificial silk items were reduced under the British Preferential Tariff in 1936 as a result of hearings before the Tariff Board of applications under article 13 of the Ottawa Agreement. The Tariff Board recommended the removal of the specific duties from certain cotton yarn and fabric items and also from artificial silk fabrics. The duty on woollen and worsted fabrics, n.o.p. had been reduced in the preceding year.

The rates were then revised as follows:—

	British Preferential	
	1936 Rates	Previous Rates
Single yarns coarser than 40's.....	12½%	12½% and 2 cts. per lb.
Ply yarns.....	15 %	15% and 2 cts. per lb.
Cotton fabrics, grey.....	15 %	17½% and 2 cts. per lb.
Cotton fabrics, bleached.....	20 %	20% and 2 cts. per lb.
Cotton fabrics, coloured.....	22½%	22½% and 2 cts. per lb.
Woven fabrics, wholly or in part of artificial silk.....	30 %	27½% and 30 cts. per lb.

In the case of artificial silk yarns, the interim report of the Tariff Board in 1934 had led to the reduction in the minimum specific duty under the British Preferential Tariff. As a result of the final report in 1936, a separate classification was established for acetate yarns with an *ad valorem* rate of 5 per cent for singles. The minimum specific duty of 20 cents per pound was removed for other artificial silk yarns which left the effective rate of 20 per cent *ad valorem*. Similar changes were made in the duties for ply yarns.

TARIFF CHANGES, 1937

The Canada-United Kingdom Trade Agreement of February 23, 1937, resulted in further reductions on some textile items under the British Preferential Tariff. The *ad valorem* rate on coloured cotton fabrics was changed from 22½ per cent to 20 per cent—the specific duty having been removed in the previous year. The duties on cotton blankets and wool blankets were reduced from 22½ per cent and 10 cents per pound to 20 per cent and 5 cents per pound.

Some reductions were also made on certain artificial silk and silk items. Artificial silk tops and waste which had previously been dutiable at 5 per cent were made free under the British Preferential Tariff. The duty under tariff item 561, which covers woven fabrics wholly or in part of artificial silk (the rate on which had been reduced in 1936 when the specific duty of 30 cents per pound had been removed and the *ad valorem* rate set at 30 per cent), was now further reduced to 27½ per cent.

The duty on broad silks, which had been unchanged at 27½ per cent under the British Preferential Tariff since September, 1930, was now made 22½ per cent.

Woollen and worsted goods were also affected by the tariff changes in 1937. The specific duty on worsted yarns was reduced to 5 cents per pound from the former rate of 7½ cents, while the *ad valorem* duty of 10 per cent remained unchanged. The rates on woollen and worsted fabrics, n.o.p., were further reduced to 22½ per cent and 12 cents per pound, with a limit of 50 cents per pound for the sum of the two rates. Duties on knitted goods, n.o.p., were reduced from 25 per cent to 20 per cent and the rates on wool stockings made 20 per cent plus 30 cents per dozen pairs, instead of 30 per cent and 75 cents. Socks and stockings, n.o.p., were given a separate classification with a rate of 20 per cent and no specific duty.

The United Kingdom Agreement of 1937 also reduced the number of "bound" textile items on which certain margins of preference were to be maintained. In the 1932 agreement, there were 34 textile items on which the Government of Canada agreed to maintain the spread between British Preferential and Treaty or Intermediate rates. In 1937 the number was reduced to ten, some of which are imports for special purposes, e.g., typewriter-ribbons, and all ten items are free under the British Preferential Tariff.

The principal changes in the tariff rates on textile items in 1937 may thus be summarized:—

	British Preferential Tariff	
	1937 Rate	Previous Rate
Cotton fabrics, coloured.....	20%	22½%
Woven fabrics, wholly or in part of artificial silk.....	27½%	30%
Silk thread, crochet silk, etc.....	15%	17½%
Broad Silks.....	22½%	27½%
Worsted Yarns for Weavers.....	10% and 5cts. per lb.	10% and 7½ cts per lb
Yarns for hand knitting.....	15% and 6cts. per lb.	15% and 11¼ cts. per lb.
Worsted and Woolen fabrics, n.o.p.....	22½% and 12 cts. per lb. (Sum of Ad Valorem and Specific Duties not to exceed 50 cts. per lb.)	27½% and 17cts. per lb. (Sum of Ad Valorem and Specific Duties not to exceed 65 cts. per lb.)
Knitted Goods, n.o.p.....	20%	25%
Woollen stockings.....	20% and 30 cts. per doz. pairs	30% and 75 cts. per doz. pairs
Stockings, n.o.p.....	20%	30% and 75 cts. per doz. pairs
Blankets (cotton or wool).....	20% and 5 cts. per lb.	22½% and 10 cts. per lb.

Apart from the reductions in the British Preferential Tariff, the main changes have been the result of the United States Trade Agreement and the settlement of the Japanese trade dispute. The Intermediate tariff rates now apply to imports from the United States, instead of the General tariff which prevailed against that country before the making of the recent agreement, and in addition, the fixed valuations under Section 43 of the Customs Act have been cancelled, as already indicated. The rates of duty established under the Intermediate Tariff are still relatively high, and of course, under the General Tariff, still higher. It should be added, however, that the General Tariff now applies to only a few countries. The falling off in imports from foreign countries can be shown from the following trade figures:—

15. IMPORTS OF CERTAIN TEXTILE MANUFACTURES FROM COUNTRIES OTHER THAN THE UNITED KINGDOM, 1928-1936

Calendar Years	1928	1930	1932	1934	1936
	(000)	(000)	(000)	(000)	(000)
Cotton Yarns (Pounds).....	3,621	3,143	2,263	343	424
Cotton Fabrics (Yards).....	71,631	59,647	28,993	14,474	19,321
Wool Fabrics (Yards).....	6,239	5,171	1,584	537	416
Silk and Mixture Fabrics (Yards).....	24,400	13,571	2,882	1,919	1,926
Artificial Silk Yarn (Pounds).....	1,934	2,245	945	774	413
Artificial Silk and Mixture Fabrics (Yards).....	4,900	14,631	2,973	1,654	3,214

NOTE:—As the basis of recording quantities in the trade returns was changed for some of the above items during the period, it has been necessary to make estimates for some years.

It must be pointed out, however, that all increases or decreases in imports cannot be explained by changes in the tariff rates. With the decline of incomes in Canada after 1929 there would be a decline in total consumption of textiles and imports would naturally fall off. This latter movement had commenced

before the imposition of the high tariffs in the fall of 1930. The following table shows imports of the principal groups of cotton fabrics for the first eight months of 1930 compared with the same period of 1929. Only in the case of bleached fabrics was there any increase in imports and even in that case the advance was relatively small.

IMPORTS OF COTTON FABRICS, JANUARY TO AUGUST, INCLUSIVE

	1929	1930
Unbleached.....	33,209,821 yds.	20,467,952 yds.
Bleached.....	9,781,262 yds.	10,127,012 yds.
Piece Dyed.....	17,284,377 yds.	13,288,114 yds.
Yarn Dyed.....	5,644,967 yds.	4,201,773 yds.

The increase in the volume of textile imports since 1933 is to be explained partly by an increase in national income and in total consumption of textiles, as well as by the reduction in British Preferential duties in 1932 and from 1935 to 1937. The increase in values are, of course, due to the somewhat larger quantities imported at higher prices. The following table shows the trend of imports in recent years. The extent to which Canadian manufacturers increased their share of the Canadian market is shown by the tables in Chapter V.

16. IMPORTS OF CERTAIN TEXTILE MANUFACTURES

Commodities	Fiscal Years			April to November	
	1934-35	1935-36	1936-37	1936	1937
	(000 lbs.)	(000 lbs.)	(000 lbs.)	(000 lbs.)	(000 lbs.)
COTTON MANUFACTURES					
Cotton Yarns—					
Total.....	4,895	5,079	5,117	3,303	4,014
United Kingdom.....	4,606	4,706	4,742	3,036	3,468
United States.....	285	370	353	134	535
Other Countries.....	4	3	22	133	11
Cotton Fabrics—Unbleached—					
Total.....	5,298	5,092	6,390	3,647	5,274
United Kingdom.....	2,916	2,678	2,810	1,837	2,457
United States.....	2,373	2,409	3,571	1,806	2,801
Other Countries.....	9	5	9	4	16
Cotton Fabrics—Bleached—					
Total.....	1,822	1,830	1,898	1,384	790
United Kingdom.....	1,352	1,397	1,427	966	682
United States.....	420	411	436	399	85
Other Countries.....	50	22	35	19	23
Cotton Fabrics—Piece Dyed—					
Total.....	4,217	5,045	5,652	3,658	3,628
United Kingdom.....	3,106	3,381	3,616	2,366	2,191
United States.....	550	831	1,028	667	702
Other Countries.....	561	833	1,008	625	735
Cotton Fabrics—Yarn Dyed—					
Total.....	898	1,241	1,594	981	1,220
United Kingdom.....	667	735	865	546	606
United States.....	113	233	297	178	224
Other Countries.....	118	273	432	257	390
Cotton Fabrics—Printed—					
Total.....	2,518	2,529	2,673	1,630	1,537
United Kingdom.....	2,033	2,012	1,980	1,231	986
United States.....	387	395	565	322	407
Other Countries.....	98	122	128	77	144

16. IMPORTS OF CERTAIN TEXTILE MANUFACTURES—*Continued*

Commodities	Fiscal Years			April to November	
	1934-35	1935-36	1936-37	1936	1937
COTTON MANUFACTURES—<i>Concluded</i>					
	(000 lbs.)	(000 lbs.)	(000 lbs.)	(000 lbs.)	(000 lbs.)
Cotton Velveteens—					
Total.....	529	595	716	530	405
United Kingdom.....	482	509	446	377	66
United States.....	26	33	47	37	41
Other Countries.....	21	53	223	116	298
WOOL MANUFACTURES					
Woollen Yarn—					
Total.....	2,957	3,381	3,450	2,215	2,493
United Kingdom.....	2,932	3,364	3,424	2,197	2,466
United States.....	5	5	8	7	3
Other Countries.....	20	12	18	11	24
Wool Fabrics—(Dress goods to be dyed)—					
Total.....	1,330	1,344	1,340	900	921
United Kingdom.....	1,303	1,331	1,334	897	917
United States.....					
Other Countries.....	27	13	6	3	4
Wool Lustrés or Italian Linings—					
Total.....	60	50	53	32	28
United Kingdom.....	59	50	53	32	28
United States.....					
Other Countries.....	1				
Wool Tweeds—					
Total.....	1,312	1,383	1,441	831	681
United Kingdom.....	1,301	1,366	1,436	829	678
United States.....	2	1			
Other Countries.....	9	16	5	2	3
Wool Woven Fabrics, n.o.p.; Worsteds and Serges; Overcoatings—					
Total.....	4,938	5,414	6,190	3,968	5,017
United Kingdom.....	4,787	5,297	6,079	3,894	4,860
United States.....	45	24	27	13	11
Other Countries.....	106	93	84	61	146
Wool Plushes—					
Total.....	11	27	59	51	41
United Kingdom.....	10	21	38	34	27
United States.....	1	6	21	10	10
Other Countries.....				7	4
Wool Blankets—					
Total.....	399	551	794	660	618
United Kingdom.....	396	548	791	659	614
United States.....	2	2	2		4
Other Countries.....	1	1	1	1	
Wool Socks and Stockings—	Doz. Pr.	Doz. Pr.	Doz. Pr.	Doz. Pr.	Doz. Pr.
Total.....	86	93	111	89	102
United Kingdom.....	85	92	110	88	100
United States.....					
Other Countries.....	1	1	1	1	2
Carpets and Rugs—	\$	\$	\$	\$	\$
Total.....	575	557	709	480	654
United Kingdom.....	182	199	286	190	261
United States.....	9	22	57	15	20
Other Countries.....	384	336	367	275	373
SILK MANUFACTURES					
Silk Fabrics (to be dyed)—	(000 yds.)	(000 yds.)	(000 yds.)	(000 yds.)	(000 yds.)
Total.....	77	74	129	95	47
United Kingdom.....					
United States.....			19	15	
Other Countries.....	77	74	110	80	47

16. IMPORTS OF CERTAIN TEXTILE MANUFACTURES—*Concluded*

Commodities	Fiscal Years			April to November	
	1934-35	1935-36	1936-37	1936	1937
SILK MANUFACTURES—<i>Concluded</i>	(000 yds.)	(000 yds.)	(000 yds.)	(000 yds.)	(000 yds.)
Silk Fabrics, n.o.p.—					
Total.....	737	794	853	539	267
United Kingdom.....	21	36	40	27	27
United States.....	210	263	272	126	98
Other Countries.....	506	495	541	386	142
Silk Velvets and Plushes—					
Total.....	692	679	537	485	338
United Kingdom.....	24	59	31	30	37
United States.....	227	237	214	199	121
Other Countries.....	441	383	292	256	180
Silk Fabrics (for Neckties)—	\$	\$	\$	\$	\$
Total.....	790	875	898	582	668
United Kingdom.....	34	60	88	51	48
United States.....	180	199	260	142	151
Other Countries.....	576	616	550	389	469
Silk Ribbons—					
Total.....	67	76	95	63	88
United Kingdom.....	3	4	6	3	5
United States.....	32	38	52	31	46
Other Countries.....	32	34	37	29	37
ARTIFICIAL SILK MANUFACTURES	(000 lbs.)	(000 lbs.)	(000 lbs.)	(000 lbs.)	(000 lbs.)
Artificial Silk Yarns—					
Total.....	965	1,078	1,411		
United Kingdom.....	411	446	998		
United States.....	128	301	128		
Other Countries.....	426	331	285		
From May 1, 1936, Artificial Silk Yarn has been classified as Cellulose Acetate Yarn and other synthetic yarn.					
Artificial Silk Yarns, Cellulose Acetate—					
Total.....				169	313
United Kingdom.....				162	307
United States.....				7	4
Other Countries.....					2
Artificial Silk Yarns, n.o.p.—					
Total.....				687	1,140
United Kingdom.....				458	832
United States.....				80	41
Other Countries.....				149	267
Artificial Silk Fabrics—					
Total.....	934	697	1,651	910	1,172
United Kingdom.....	736	441	942	505	736
United States.....	85	130	180	89	132
Japan.....	52	73	474	283	269
Other Countries.....	61	53	55	33	35
Artificial Silk Ribbons—	\$	\$	\$	\$	\$
Total.....	126	123	115	75	114
United Kingdom.....	4	2	2	1	2
United States.....	39	49	67	41	62
Other Countries.....	83	72	46	33	50

The recent reductions in the British Preferential rates and the maintenance of the high duties under the Intermediate and General tariffs have greatly widened the margin of preference for British goods. The continuance of specific duties on many textile items in the Intermediate and General tariffs makes it difficult

to compare the relative incidence of duties on British and foreign imports. However, some comparison can be made by calculating the duties on similar articles under the different tariff columns, even if the identical article might not be available in each country. A comparison of this kind shows the following changes in margins of preference for cotton, wool, silk and artificial silk articles for which information is available. Discounts from the British Preferential or Intermediate tariffs have been allowed where provided, while the 3 per cent excise tax has been included in calculating duties on foreign imports. It will be noted that in every case but one, the effective rates under the Intermediate Tariff are considerably higher than prior to September 1930, and that the margin of British Preference has been greatly increased.

RELATIVE MARGIN OF PREFERENCE UNDER THE BRITISH PREFERENTIAL TARIFF
FOR IMPORTS FROM THE UNITED KINGDOM AND THE UNITED STATES

COTTONS

(Based on United States Prices)

Item	British Preferential		United States		Margin British Preference	
	1929	Oct. 1937	1929 (a)	Oct. 1937 (b)	1929	Oct. 1937
	%	%	%	%	%	%
Cotton Warp Yarn, 30's Single.....	12½	12½	22½	32·3	10·0	19·8
Cotton Hosiery Yarn, 30's Single.....	12½	12½	22½	18·5	10·0	6·0
Grey Sheeting, 40", 48 x 48, 2·85 Yards Per Pound.....	12½	15	22½	41·7	10·0	26·7
Cotton Sheeting, 72", 68 x 76, 1·40 Yards Per Lb.—Bleached.....	15·0	18·0	25·0	35·7	10·0	17·7
Cotton Fabrics, Dark Colours, 36-37", 80 x 80, 4·00 Yds Per Lb.....	18·0	18·0	27½	39·5	9·5	21·5

(a) Under General Tariff.

(b) Under Intermediate Tariff.

RELATIVE MARGIN OF PREFERENCE UNDER BRITISH PREFERENTIAL TARIFF
AND UNDER INTERMEDIATE TARIFF OR FRENCH TREATY RATES

WOOL FABRICS

(Based on English Prices)

Item	British Preferential		Intermediate		Margin British Preference	
	1929	Oct. 1937	1929	Oct. 1937	1929	Oct. 1937
	%	%	%	%	%	%
Serge 64's, 16 oz. piece dyed.....	24½	27·2	29½	59·7	5·0	32·5

ROYAL COMMISSION

RELATIVE MARGIN OF PREFERENCE UNDER BRITISH PREFERENTIAL TARIFF
AND UNDER INTERMEDIATE TARIFF OR FRENCH TREATY RATES

WOOL SOCKS AND STOCKINGS

(Price Based on Average Value of United Kingdom Imports)

	British Preferential		Intermediate		Margin British Preference	
	1929	Oct. 1937	1929	Oct. 1937	1929	Oct. 1937
	%	%	%	%	%	%
	22½(c)	24.5	29½	69.5	7½	45.0
	24½(d)	.....	29½	.....	5.0	.....

(c) Valued from 90 cts. to \$1.50 per pound.

(d) Valued at over \$1.50 per pound.

SILK FABRICS

(Based on Canadian Prices)

Item	British Preferential		French Treaty		Margin British Preference	
	1929	Oct. 1937	1929	Oct. 1937	1929	Oct. 1937
	%	%	%	%	%	%
No. 14 Weighted Crepe, Printed.....	15½	20½	29½	60.0	14½	39½

ARTIFICIAL SILK FABRICS

(Based on United States Prices for October, 1936)

Item	British Preferential		French Treaty		Margin British Preference	
	1929	Feb. 1937	1929	Feb. 1937	1929	Feb. 1937
	%	%	%	%	%	%
Rayon Taffeta, 5.76 yards per lb., piece dyed.....	15½	24½	32½	82.1	16½	57.4

These examples, together with those given elsewhere in this report, serve to show how hard it may be to measure the effect of specific duties. Everybody can understand what is meant by a 20 per cent *ad valorem* rate of duty. Some specific rates of duty would be equally comprehensible when the unit is familiar, e.g. 3 cents a pound on tea. But, a duty in cents per pound on textiles is not comprehensible to the majority of persons who make use of textile products, however significant it may be to those engaged in the trade.

It was argued by Counsel for the Primary Textiles Institute that the "only accurate measure of the actual protective effect of the duties for Canadian industry as against the United Kingdom cotton industry" is the number of cents duty collected per pound of imports. The table he presents is as follows: —

Year	Grey Cotton	Bleached Cotton	Coloured Cotton
	cts. per lb.	cts. per lb.	cts. per lb.
1928.....	7.20	12.03	16.78
1931.....	8.62	12.92	15.23
1933.....	6.83	10.96	13.04
1936.....	4.44	8.69	10.87

The above figures are based upon the total imports during the year and any variations caused by differences in the character of the goods being imported are not taken into account. It is possible to determine the duty in cents per pound on two English grey cloths from Exhibit 860 and 861, viz:—

DUTY IN CENTS PER POUND OF CLOTH

Date	Sateens (Ex. 860)	Twills (Ex. 861)
	Cents	Cents
June, 1930.....	6.0	4.7
June, 1931.....	8.8	7.4
June, 1932.....	11.3	8.2
June, 1934.....	8.6	6.1
March, 1935.....	7.9	5.7
June, 1936.....	5.8	3.7
March, 1937.....	7.0*	4.3*
November, 1937.....	6.4*	3.8*

* Based on quotations in the Textile Weekly.

It will be seen that the duty expressed in cents per pound on these two articles rose greatly above the level of June, 1930, during the period when specific and special duties were applied on imports. In 1936, the rate in these terms was somewhat lower than in June, 1930, but the rise in English prices in the first half of 1937 caused the duty in cents per pound, to increase, although the recent fall in prices, due largely to the fall in the price of raw cotton, has reversed the upward trend, as is shown by the figures for November, 1937.

The argument of Counsel for the Primary Textiles Institute is not altogether sound, because, for instance, if the rates are increased to a prohibitive level no goods are imported, no duty is collected, and the "actual protective effect" as measured in this way would be nil. Nevertheless, an important problem is raised by the comparison of 1928 and 1936. It was argued by Counsel that the same *ad valorem* rate had a very different protective effect at different levels of raw material prices. This contention is supported by the Tariff Board in their final report on woollens, Reference No. 1, 1934, from which the following extracts are taken:—

"The degree of protection provided by a pure *ad valorem* duty in an industry characterized by wide fluctuations in the price levels of its raw materials is highly unstable. When prices are rising and the volume of business is expanding, such a duty automatically provides increased protection at a time when no increase may be required, and when raw material prices are falling and the volume of business is shrinking, the difficulties of a protected industry are increased by the automatic reduction of protection."

* * * * *

"Such fluctuations in the values of raw materials, which are seldom accompanied by corresponding changes in industrial wages and overheads, render it impossible for any purely *ad valorem* duty, designed to equalize total cost of production in two different countries, to keep pace with changing prices."

* * * * *

"One alternative to an *ad valorem* duty is a specific duty of so many cents per pound or yard, the incidence of which does not change with every fluctuation in the wool market."

* * * * *

"As an illustration of the complexity inherent in a schedule of strictly specific rates, it has been computed that a scale of specific rates on worsted yarn to allow for differences in count, colour, twist and method of spinning, would require as many as 160 different rates."

* * * * *

"A compound duty, such as those now imposed by the Canadian Tariff upon many textile products, may be regarded as a tenable compromise."

With regard to future policy, however, the following points may be suggested. No tariff can be constructed to take care automatically of all possible con-

tingencies. Rising raw material prices may sometimes operate to make existing *ad valorem* rates more protective, just as falling raw material prices have the opposite effect.

Although the discussion of the tariff has so far been confined to its protective aspects it must not be overlooked that it is also an important source of revenue. The administration of a tariff from the viewpoint of revenue runs counter to the granting of protection. In other words, revenue is secured when goods are imported, whereas protection is most effective when goods are excluded. The amount of revenue secured from customs is thus in inverse ratio to the quantum of protection in the tariff. This statement must be qualified by saying that the flow of imports is dependent upon the general state of industrial activity in Canada, tending to rise during periods of prosperity and fall during periods of depression.

In the fiscal year 1929-30 receipts from customs duties amounted to \$179,429,920 out of total revenue receipts of \$445,916,992 secured by the Dominion Government. By the year 1933-34, customs duties had declined to \$66,305,356, while total revenues were \$324,471,271. The former total does not, however, include \$14,534,620 collected as special excise duties on importations although it does include special duties. Although revenue from customs duties has been increasing in recent years—the gross figure for the year ending March, 1937, was \$92,282,059 against \$73,154,472 for 1934—the totals are far below the amount collected in the fiscal year 1929-30. In part, this is due to lower prices of imported goods, but to a greater extent to a decline in the volume of imports, which, in spite of higher rates of duty, yield smaller revenues.

Import duties collected on textile products have declined greatly during the period under review. The gross customs revenue from all imports and for textiles and manufactures for the fiscal years 1920 to 1937 are shown in the table given below. The factors affecting customs revenue which have already been mentioned, such as volume of imports, relative rates of duty and the level of prices, must be borne in mind when considering the totals in this table:—

17. IMPORT DUTIES COLLECTED, FISCAL YEARS ENDING MARCH, 1920 TO MARCH, 1937

(000 Omitted)

Fiscal Year ending March	All Imports	Textiles and Manufactures Thereof	Percent Duties collected on Textile Imports to Total Duties
	\$	\$	
1920.....	187,524	38,674	20.6
1921.....	197,668	42,557	21.5
1922.....	121,478	25,659	21.2
1923.....	133,803	27,687	20.7
1924.....	135,122	26,603	19.7
1925.....	120,122	25,494	21.2
1926.....	143,933	27,196	18.9
1927.....	158,966	30,236	19.0
1928.....	171,873	30,353	17.7
1929.....	200,480	31,989	15.9
1930.....	199,012	30,237	15.2
1931.....	149,251	24,401	16.4
1932.....	113,998	18,827	16.5
1933.....	77,272	11,134	14.5
1934.....	73,154	11,621	16.1
1935.....	84,627	11,705	13.8
1936.....	82,784	11,890	14.3
1937.....	92,282	13,074	14.2

CHAPTER V

PRICES AND PRODUCTION

It will now be in order to trace, and in so far as is possible to account for, the growing disequilibrium during the depression years between the value of primary products, particularly those which figure largely as export commodities, on the one hand, and of consumer's goods, particularly textile products, on the other hand. A study of the trend of prices in the protected textile industry will determine the extent to which these prices were adjusted to meet the declining incomes of those engaged in the exposed industries, and the part played by higher tariffs in preventing a more complete adjustment. Account must be taken of the movements in the prices of raw materials and of the trend of production and of prices in the United Kingdom and in the United States, the two countries supplying the greater part of imports of textile products. An outline of the changing position of the export industries, in so far as this may be gathered from trade statistics, will serve as a background against which to study the fortunes of the textile industry.

The varying positions of the export industries of Canada are indicated in the trade statistics and in the prices of principal commodities. The decline in value of exports is due, of course, to changes in quantities as well as in unit values, but the latter factor was the more important of the two. The quantum of exports from Canada declined by 23 per cent between the calendar years 1929 and 1932, which was the low point in volume of exports, but the index of export prices fell 40 per cent in this period.

The value of exports of Canadian produce had declined to 52 per cent of the 1929 level by 1931 and to 46 per cent by 1932, which again marked the turning point in Canada's export trade. The changes in values from 1929 to 1936 for the principal commodity groups are shown in Table 18. Agricultural exports, including animal products, and exports of mineral products, declined by 1932 to the extent already indicated for all exports, while exports of wood products fell off only slightly less in value.

18. SUMMARY OF EXPORTS OF CANADIAN PRODUCE, FOR CALENDAR YEARS 1929 1932, 1934 AND 1936

(000 omitted)

	1929	1932	1934	1936
	\$	\$	\$	\$
Agricultural and Vegetable Products (except Chemicals, Fibres and Wood).....	429,801	204,057	229,380	346,981
Animals and Animal Products (except Chemicals and Fibres).....	140,829	55,588	82,570	124,695
Fibres, Textiles and Textile Products.....	9,472	4,815	7,335	12,227
Wood, Wood Products and Paper.....	292,601	133,982	161,137	210,207
Iron and Its Products.....	90,101	16,326	37,402	52,304
Non-Ferrous Metals and Their Products.....	150,578	100,531	199,010	211,817
Non-Metallic Minerals and Their Products (except Chemicals).....	29,720	9,658	15,758	23,974
Chemicals and Allied Products.....	21,828	11,033	14,350	17,750
Miscellaneous Commodities.....	19,896	10,220	11,704	15,251
Total.....	1,184,826	546,210	758,646	1,015,206

Prices of commodities entering into Canada's export trade reflect the relative resistance of the different industries to the general decline in prices. Agricultural products suffered most as the relative stability of farm production in the face of general industrial curtailment was naturally reflected in the terms of exchange between farm products and manufactured goods, resulting in a greater decline in the prices of agricultural products. The position of Canadian agriculture was also seriously affected by the fiscal policies adopted by importing countries. The protection afforded national production in these countries tended to restrict our markets and to cause our export prices to fall still further.

While the fall in prices of other export commodities was not, on the whole, as severe as in the case of agricultural products, the general price index for exports declined 34.4 per cent between 1929 and 1931, and 40.5 per cent by 1932, whereas the general wholesale price index for Canada fell 30.2 per cent by 1932 and that for manufactured goods only 24.9 per cent in the same period. The trend of prices of export commodities is shown in the following table.

19. INDEX NUMBERS OF WHOLESALE PRICES OF CERTAIN EXPORT COMMODITIES
(1929=100)

—	All Exports	Wheat— No. 1 Northern	Livestock	Fir—No. 1	Newsprint Paper Rolls	Lead— Domestic
1929.....	100.0	100.0	100.0	100.0	100.0	100.0
1930.....	83.9	70.2	89.6	86.4	100.0	82.3
1931.....	65.6	43.8	61.1	61.6	90.9	62.4
1932.....	59.5	41.4	49.2	54.0	78.7	52.6
1933.....	59.9	45.4	44.5	61.8	62.0	55.4
1934.....	65.7	55.7	55.8	77.5	60.2	51.0
1935.....	67.5	62.9	63.9	68.7	60.2	58.7
1936.....	72.5	69.8	58.3	77.1	62.9	69.5
1937 (October).....	87.4	106.0	71.4	71.9	65.4	72.3

It is characteristic of periods of falling prices that prices of raw materials fall first and most severely. The plight of Canadian raw material producers has already been indicated and it needs scarcely be said that the shrinkage in incomes of this group resulted in a serious curtailment of the market for industrial products. This was accompanied by a fall in the purchasing power of urban communities through unemployment, lower wages, etc., with a further depressing effect upon agricultural prices. Raw material producers obtained some relief from the general fall in prices of industrial goods, but as their costs could not be reduced in proportion to their loss in income the balance was by no means restored.

Textile manufacturers found the prices of their basic raw materials declining greatly. The price of raw silk suffered most severely and accounted for some of the difficulties faced by Japan where this product was a very important export commodity. The general movements in prices of textile materials are given in Table 20; the index for bleached sulphite pulp has been added to indicate, in a measure, the trend in the basic material for viscose yarn.

20. INDEX NUMBERS OF WHOLESALE PRICES OF TEXTILE RAW MATERIALS
(1929=100)

Year	Textile Fibres				Bleached Sulphite Pulp
	Raw Cotton	Raw Wool	Raw Silk	Combined Index	
1929.....	100.0	100.0	100.0	100.0	100.0
1930.....	74.2	61.4	72.0	71.2	92.2
1931.....	49.7	48.1	53.4	50.4	86.7
1932.....	42.6	34.7	37.4	41.3	73.3
1933.....	53.2	51.4	35.4	51.1	69.9
1934.....	69.2	67.1	26.4	62.8	73.3
1935.....	69.2	55.4	33.9	62.0	71.3
1936.....	70.8	74.5	36.2	68.8	70.7
April—					
1937.....	80.8	100.1	40.0	82.6	82.6
October—					
1937.....	52.2	85.3	34.8	59.6	98.6

The fall in prices of textile raw materials might be expected to benefit textile manufacturers in that, as the selling prices of their products fell in a lesser degree, the manufacturing margin would be widened. There is some indication that this was the initial effect. However, raw materials form only one item in the manufacturing costs and the declining volume of production with the consequent increase in unit costs, tends to offset the effect of the fall in the price of raw materials.

Exhibit 1361, which is a statement prepared by the Dominion Textile Company, shows the mill spread per pound, that is the margin between the cost of the raw material and the selling price of the finished product, on the total production of the company's grey mills. The margin had been declining from 1926 and for the company's fiscal year ended March 1929 averaged 28.28 cents per pound. The results for the following years were:—

Year Ending March	Mill Spread per lb. Cents
1930	29.17
1931	30.80
1932	30.16
1933	28.33

There was no question that the prices of manufactured textile goods would decline during the period of deflation, particularly in view of the serious decline in prices of textile raw materials. The important question was the extent to which the prices of manufactured goods would be brought down to meet the reduction in the incomes of those engaged in the exporting industries. The continued reiteration by representatives of the textile industry, during the course of the hearings, that prices were not advanced after the imposition of higher duties in September 1930 does not meet the point now under discussion. It is necessary to examine the extent to which prices were actually reduced, always keeping in mind the drastic fall in the cost of textile fibres.

The movements in the indices of wholesale prices and export prices may first be compared with the trend in prices of textile raw materials and finished goods. The following table shows that the prices of textile raw materials fell more than export prices, which, as we have already mentioned, declined more than the general wholesale index. The index for finished textile goods, declined in approximately the same degree as export prices from 1929 to 1930, but thereafter until 1935 remained above the general index of wholesale prices.

21. INDEX NUMBERS OF WHOLESALE PRICES OF EXPORT COMMODITIES AND TEXTILES

(1929=100)

Year	General Wholesale Index	Manufactured Goods of all Kinds	Export Prices	Textiles	
				Raw Materials	Manufactures
1929.....	100.0	100.0	100.0	100.0	100.0
1930.....	90.1	93.9	83.9	71.2	83.4
1931.....	73.4	80.4	65.6	50.4	78.5
1932.....	69.8	75.1	59.5	41.3	75.1
1933.....	70.2	75.5	59.9	51.1	76.0
1934.....	74.9	78.9	65.7	62.8	78.1
1935.....	75.4	78.3	67.5	62.0	74.4
1936.....	78.0	79.1	72.5	68.8	73.2
April—1937.....	90.0	86.6	90.9	82.6	77.7
October—1937.....	88.6	87.4	87.4	59.6	75.4

The prices of textile manufactures did not move uniformly even for products made from the same fibre. While the relative price of raw materials was the major factor in the movements, domestic or foreign competition, or its lack, played an important part.

The group indices of prices for textile fabrics reveal a general downward tendency during the depression with a low point in 1932 and an upward trend thereafter. The index for silk fabrics, however, continued to fall after 1932, as the price of raw silk did not reach the lowest point until 1934.

22. INDEX NUMBERS OF WHOLESALE PRICES OF FABRICS

(1929=100)

Year	Cotton Fabrics	Wool Cloth	Silk Fabrics	Rayon Viscose Yarn
1929.....	100.0	100.0	100.0	100.0
1930.....	90.4	85.7	82.7	80.1
1931.....	79.5	77.2	76.9	79.0
1932.....	75.1	73.1	76.6	77.5
1933.....	79.2	77.1	67.6	77.4
1934.....	83.1	83.1	60.5	72.6
1935.....	80.9	76.1	57.2	67.9
1936.....	79.5	81.7	56.2	55.2
April, 1937.....	84.2	88.1	59.3	54.3
October, 1937.....	82.0	86.4	58.3	54.3

The price of rayon viscose yarn has been inserted in the above table as it has not been possible to secure a reliable measure of the trend in prices of rayon fabrics owing to the relative newness of the industry and the rapid changes in cloth construction during the period under review.

The extent to which rayon fabric prices followed rayon yarn prices throughout the period cannot be determined. From Exhibit 867, it is possible to trace the movement in yarn and fabric prices for one cloth, but whether the trend would be representative of rayon fabric as a group cannot be stated from the

The price of rayon viscose yarn has been inserted in the above table as it

INDEX NUMBERS OF PRICES OF RAYON TAFFETA AND ARTIFICIAL SILK YARNS

(Exhibit 867)

	Taffeta	Yarn
April, 1931.....	100.0	100.0
April, 1932.....	109.5	95.8
April, 1933.....	93.0	78.1
March, 1934.....	93.0	72.9
March, 1935.....	91.0	70.8
January, 1936.....	86.1	70.8

The extent to which international competition prevails in the rayon yarn field is difficult to determine. It is obvious that the tariffs adopted by practically all rayon yarn-producing countries have tended largely to preserve the home market for yarns for domestic producers, but apart from fiscal policies there have been various attempts to establish international control by the leading producing companies. In Canada, both manufacturers of rayon yarns, Canadian Celanese Limited and Courtaulds (Canada) Limited, are closely connected with companies in the United Kingdom and the United States, and through them, with companies in other countries. A report by the United States Department of Commerce, entitled "Representative International Cartels, Combines and Trusts," showed that prior to 1929 national and international cartels existed among rayon producers. The following quotations are taken from this report:—

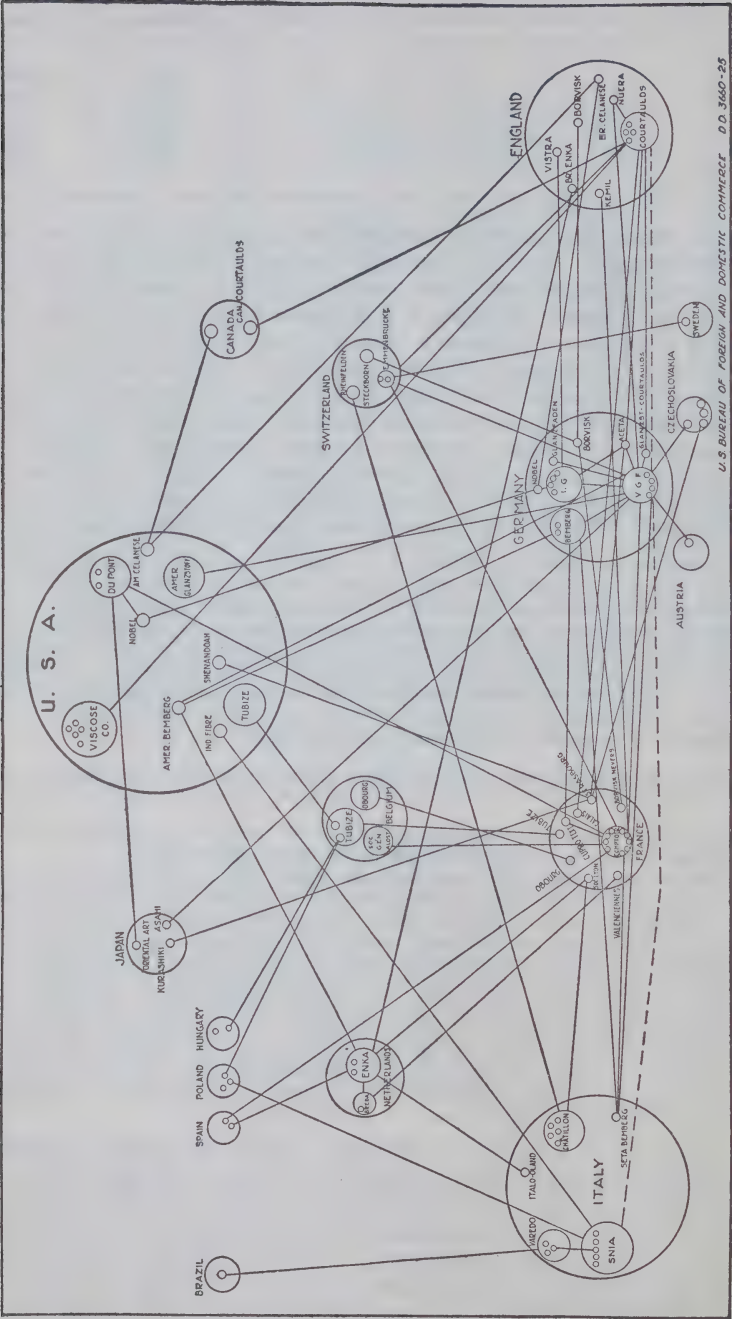
"The international rayon cartel is typical of an industry of recent origin, which has within comparatively few years taken third rank among the textile industries of the world, and which supplies a growing consumer demand for wearing apparel and style goods. This cartel is a combination of three of the dominating units in the rayon industry, the British Courtaulds, the German Glanzstoff, and the Italian Snia Viscosa concerns. These three groups operate subsidiaries and branch plants in numerous foreign countries and through interlocking stock holdings have established a network of commercial interrelations throughout the world. Their co-operative arrangements include division of markets, joint use of patents and manufacturing processes, and price understandings."

The world-wide interrelations among rayon producers are then described as follows:—

"The cartel agreement between Courtaulds, Glanzstoff and Snia Viscosa forms the center of the world-wide network of interrelations in the rayon industry.

"Outside this central group are the immediate domestic and foreign affiliations of the three parent companies. Courtaulds have subsidiaries in the United States, France, Canada and Spain, and a converting plant in India. The Glanzstoff concern has subsidiaries in Austria, Czechoslovakia, and the United States, and holds an interest in a leading concern in Japan. The Bemberg concern, closely affiliated with Glanzstoff, has subsidiaries in Italy, France and the United States. The Belgian Tubize operates subsidiaries in Hungary, France and Poland. The Dutch Enka and Breda concerns have subsidiaries in England, Italy, France and Germany, the United States, Belgium and Spain. Then there are rayon plants founded jointly and companies in which one or the other of the three major concern holds a part interest in the share capital, though not a controlling interest. In other cases, the interrelationship is based on patent agreements or technical collaboration. Interlocking directorates form an additional bond of union."

In 1930, a report to the League of Nations on the "Economic Aspects of Several International Industrial Agreements" stated that, although there were close friendly relations between the old groups, Courtaulds, Comptoir (France) and Glanzstoff-Aku, the rise of newer producers has tended to lessen the influence of the large groups. Nevertheless, according to the above report, the large groups have made efforts to complete arrangements for the stabilization of prices and sales conditions. Whether success has yet attained these efforts cannot be definitely determined, but in so far as Canada is concerned, it is clear that the two producers are closely related to the international concerns and the pricing policies of the Canadian producers and the allocation of the Canadian market,



Interrelations of leading rayon producers.

in so far as imports enter under the preferential tariff, are largely within the discretion of the large groups of producers. On this important question of the supply of rayon yarns to Canadian manufacturers, I think it well to quote here from the report of the Tariff Board made in 1936 upon a reference on the subject of artificial silk yarns, at pages 9 and 10.

"Acetate yarn is produced in the United Kingdom by:—

British Celanese Ltd.
Cellulose Acetate Silk Co. Ltd.
Courtaulds Ltd.
Nelsons Silk Ltd.

"British Celanese Ltd. being affiliated with Canadian Celanese Ltd. is precluded from shipping to Canada, and Nelsons Silk Ltd. produces yarn apparently only for its own use in its affiliated company, Messrs. James Nelson Ltd. Courtaulds Ltd. is the parent company of Courtaulds (Canada) Limited, and produces in the United Kingdom both viscose and acetate yarns. This company, its Canadian subsidiary informs the Board, will ship acetate yarn to the Canadian market at the current export prices of acetate yarn in the United Kingdom.

"Cellulose Acetate Silk Co. Ltd. is stated to be an independent company anxious to obtain business in the Canadian market. This company and Courtaulds Limited are presently supplying acetate yarn to the Canadian market.

* * * * *

"Viscose yarn is produced in the United Kingdom by:—

Courtaulds Ltd.
British Enka Artificial Silk Co. Ltd.
Breda Viscada Ltd.
Harben's (Viscose Silk Manufacturers) Ltd.
Kirklees Ltd.

There are in addition other small producers, but their output is consumed in the United Kingdom.

"Courtaulds Ltd. being the parent company of Courtaulds (Canada) Limited naturally does not ship to Canada. British Enka and Breda Viscada are both connected with the International Rayon Trading Company which includes Dutch Enka, etc. According to information given to the Board, these two companies were established to supply the United Kingdom market and any surplus for export is marketed by the International Rayon Trading Company. Neither of these companies has any representation in Canada, although the International Rayon Trading Company is represented and does market rayon yarn from Dutch Enka in Canada.

"The remaining two companies, Harben's (Viscose Silk Manufacturers) Ltd. and Kirklees Ltd. have stated that they have no surplus yarn available for export.

"In other words, it appears unlikely that there is any viscose yarn available to be exported to Canada.

"British Bemberg Ltd. produces cuprammonium artificial silk yarn, and has been exporting to Canada. The amount of such yarn used in the market appears limited, and does not seem to be much in demand."

Some difficulty is encountered in tracing the price movements for textile products other than fabrics, as styles and qualities have been greatly modified during the period. Silk stockings, for example, are now demanded in much lighter constructions than in the pre-depression period, while other knitted goods are greatly affected by changes in fashions and methods of manufacture. The index numbers of prices for such lines must, therefore, be considered in the light of the changes in the character of the products.

23. INDEX NUMBERS OF WHOLESALE PRICES OF TEXTILE PRODUCTS,
OTHER THAN FABRICS
(1929=100)

Year	Cotton Underwear	Woollen Hosiery and Knit Goods	Silk Hosiery
1929.....	100.0	100.0	100.0
1930.....	97.2	86.2	86.4
1931.....	90.4	77.9	78.2
1932.....	84.7	72.2	76.5
1933.....	82.4	72.2	68.5
1934.....	86.9	80.9	67.9
1935.....	87.5	77.1	67.8
1936.....	87.2	76.9	67.8
April, 1937.....	89.6	78.3	67.3
October, 1937.....	90.0	79.5	67.3

This general review of textile prices has shown that the prices of manufactures, with the exception of silk products, moved in much the same manner as the general level of industrial prices in Canada between 1930 and 1934. The disparity between the incomes of the export industries and the prices of manufactured goods during these years was, therefore, only partially relieved. The tariff served to protect textile manufactures from the downward pressure on prices which export industries faced in the world markets. The degree to which domestic textile manufactures were sheltered can be measured in one way by comparing the movement of Canadian prices with prices in the two main countries of supply—United Kingdom and the United States—and by converting the prices in these countries into Canadian funds.

As both the United Kingdom and the United States extended greater protection to their textile industries during the depression than they had been given previously, the movement of prices in these countries was determined largely by such factors as domestic competition and demand. The United Kingdom as a leading export country felt the effects of the contraction in world textile trade. In the United States, on the other hand, the changes in the domestic demand and the competition between producing areas (North and South) were the major factors affecting prices in the early stages of the depression. Productive capacity in both the United Kingdom and the United States had been considerably in excess of effective demand before the depression set in, and the contraction which followed aggravated an already serious situation, particularly in the cotton branch of the industry. It is not surprising to find that textile prices in both the United States and the United Kingdom fell to lower levels than those prevailing in Canada. The following table illustrates the movements for the principal manufactured goods for which price series are available.

24. INDEX NUMBERS OF WHOLESALE PRICES OF TEXTILE PRODUCTS
(1929=100)

Year	Cotton Fabrics			Wool Fabrics			Silk Hosiery	
	Canada	United States	United Kingdom	Canada	United States	United Kingdom	Canada	United States
		(a)			(b)			
1929.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930.....	90.4	85.7	82.0	85.7	89.8	80.0	86.4	84.7
1931.....	79.5	66.9	70.2	77.2	69.7	67.1	78.2	61.7
1932.....	75.1	54.7	71.2	73.1	59.0	65.9	76.5	47.2
1933.....	79.2	72.1	67.1	77.1	70.9	71.8	68.5	53.2
1934.....	83.1	87.6	74.6	83.1	81.5	76.5	67.9	55.7
1935.....	80.9	84.4	71.8	76.1	77.8	74.1	67.8	56.3
1936.....	79.5	80.8	72.7	81.7	84.8	83.0	67.8	55.2
April, 1937.....	84.2	95.8	87.2	88.1	95.6	86.2	67.3	59.0
October, 1937.....	82.0	73.5	77.3	86.4	92.1	81.5	67.3	60.6

(a) Cotton Goods. (b) Woollen and Worsted Goods.

Although the official price indices indicate that prices for silk hosiery in Canada have not fallen to the same extent as in the United States, the large variety of constructions and differences in quality make comparison difficult. Information received from one large American manufacturer with a subsidiary in Canada suggests that for better quality women's stockings Canadian prices declined more than in the United States and are now lower than in that country. The following are the prices in 1929 and 1937 for a standard 7-thread stocking made by this manufacturer in Canada and the United States.

	Canada	United States
1929.....	\$11.27 per doz.	\$10.50 per doz.
1937.....	\$6.71 per doz.	\$ 7.25 per doz.

Prices in the United States, in so far as the figures in Table 24 can be considered representative, had fallen further by 1932 than in either the United Kingdom or Canada. Canadian prices, on the other hand, were maintained at a higher level compared to 1929 than those in the United Kingdom.

The relative movements of prices in national currencies indicate the extent to which domestic prices were adjusted in each country, but they fail to reveal the terms on which Canadians could have purchased textile products if the tariff had not been increased in 1930 and 1931. The most accurate way of making such an appraisal would be by taking the prices of foreign products comparable to Canadian goods and determining the landed cost of possible imports and of similar Canadian goods. Unfortunately, such a study could not be undertaken, except for some manufactures of the United States, and it is necessary, therefore, to resort to the method of expressing the price indices already used in terms of Canadian currency.

The differences which appear when the price indices are expressed in Canadian funds result from the fluctuations of Canadian exchange in London and New York. As the Canadian dollar was at a discount in the United States from the latter part of 1931 until the devaluation of the United States dollar in 1933, a premium in Canadian dollars would be paid by a Canadian importer on any purchases in the United States during this period. As prices of United States manufactures would thus be higher to Canadian buyers by the amount of the premium which would have been paid for American funds, the indices for United States prices may be re-calculated to show the trend in Canadian funds. On the other hand, the pound sterling was at a discount in Canadian funds through much this same period and prices of English goods, in Canadian funds, were less than home market prices at par of exchange by the extent of the depreciation of the pound sterling. The following table shows the relative movements of Canadian, United States and English prices after allowance has been made for exchange fluctuations.

25. INDEX NUMBERS OF WHOLESALE PRICES OF TEXTILE PRODUCTS (EXPRESSED IN CANADIAN FUNDS)

(1929=100)

Year	Cotton Fabrics			Wool Fabrics			Silk Fabrics	
	Canada	United States	United Kingdom	Canada	United States	United Kingdom	Canada	United States
		(a)			(b)			
1929.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1930.....	90.4	85.7	82.0	85.7	90.2	80.0	86.4	84.7
1931.....	79.5	69.8	67.6	77.2	72.7	64.6	78.2	64.3
1932.....	75.1	60.9	58.2	73.1	67.0	53.9	76.5	52.5
1933.....	79.2	78.9	63.1	77.1	77.6	61.6	68.5	58.2
1934.....	83.1	86.7	76.5	83.1	80.7	78.5	67.9	55.1
1935.....	80.9	84.8	72.7	76.1	78.2	75.0	67.8	56.8
1936.....	76.9	80.9	74.3	81.7	84.9	84.2	67.8	55.2
April, 1937.....	84.0	95.7	88.0	89.1	95.5	87.0	67.3	58.9
October, 1937.....	79.3	73.5	78.7	86.4	92.1	83.0	67.3	60.6

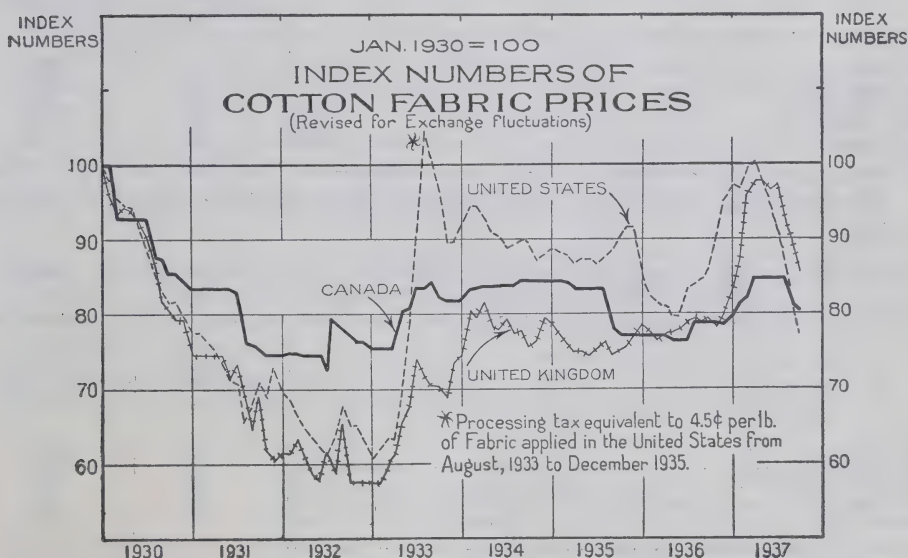
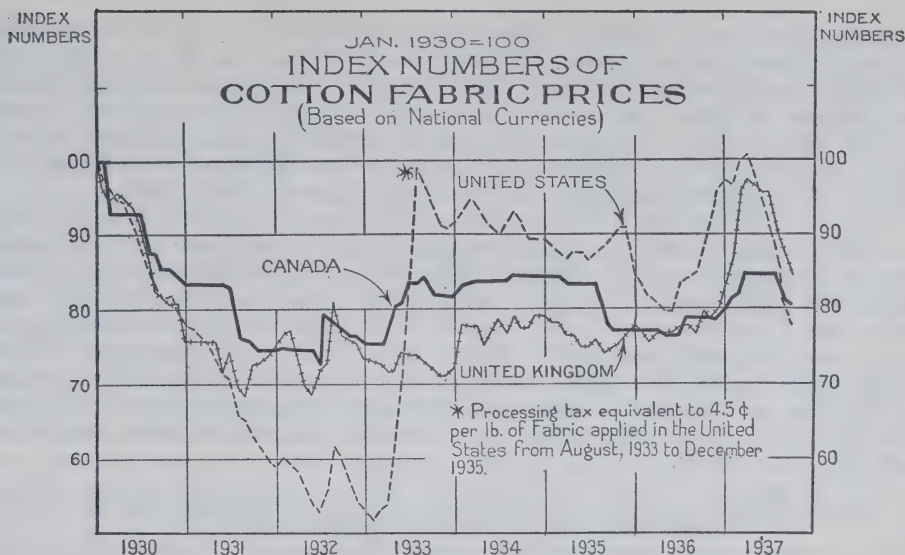
(a) Cotton Goods.

(b) Woollen and Worsted Goods.

Whereas the price indices for the United States showed the largest declines by 1932 when the domestic currencies were used, the United Kingdom prices fall to the greatest extent when the indices are expressed in Canadian funds.

The movements in prices which have just been traced are shown graphically for cotton fabrics in the accompanying charts. The drastic decline in the prices of cotton goods which has occurred since March, 1937 was initiated by the very sharp fall in the price of raw cotton. The average price of middling cotton in New York rose from about 12 cents a pound in the Fall of 1936 to 14½ cents in March, 1937. Favourable weather reports with prospects of a bumper crop of cotton led to a decline in the cotton prices on American markets which continued into the Fall. The average price of middling cotton in New York was 9.0 cents in September and 8.4 cents in October, 1937.

The trend of prices as revealed by the indices in national currencies and in Canadian funds does not, of course, indicate the actual prices of textiles in Canada compared with those in the United States and the United Kingdom. The basic price is different in each case, it being the home price in each country in 1929. It may be taken for granted, according to the evidence before me, that in 1929 prices for individual textile products were higher in Canada in most protected lines to the extent of the tariff charges and cost of freight, insurance, etc. But if we assume for the moment that the differential in 1929 between prices of domestic and import goods was a reasonable one, we see how the advantage to the Canadian manufacturer grew greater through the depression years with the increasing divergence between the index of Canadian prices and those for the United Kingdom and the United States. By 1932, the general level of cotton fabric prices in Canada had declined only 25 per cent, but in national currencies the index for the United States had fallen 45 per cent and for the United Kingdom almost 29 per cent. In Canadian funds, United Kingdom cotton prices had dropped more than 40 per cent by 1932.



We may carry this analysis one step further by comparing the prices of certain lines of Canadian manufacture with similar goods from the United Kingdom and the United States as shown in the exhibits prepared by Mr. Hooper.

CANADIAN SELLING PRICES OF COTTON YARNS AS A PERCENTAGE OF UNITED KINGDOM SELLING PRICES (IN CANADIAN FUNDS)

	Warp Yarns (Exhibit 858)	Hosiery Yarns (Exhibit 857)
June, 1930.....	132	105
January, 1931.....	149	111
June, 1931.....	150	110
November, 1932.....	187	137
May, 1936.....	155	121

Selling prices of Canadian warp yarns were 32 per cent higher than similar United Kingdom yarns in June, 1930, but the difference was 50 per cent a year later after the imposition of higher duties and the valuation of the pound sterling for customs purposes. Hosiery yarns, on which the duties were not changed in 1930, but on which special currency duties applied during the depreciation of the pound, were 5 per cent higher in Canada in June, 1930, but were 37 per cent higher in November, 1932, and still 21 per cent higher in May, 1936.

Although duties applicable to cotton warp yarns after September, 1930, were higher than those on hosiery yarns, the Canadian prices for these products moved together in comparison with United States prices. Canadian prices of hosiery yarns were 23 per cent higher than United States prices in June, 1930, and warp yarns were 27 per cent higher. By October, 1930, hosiery yarns were 29 per cent higher in price, and warp yarns, 38 per cent. The rapid advance in United States prices in 1933 and 1934, due to the New Deal policies, including the processing tax, carried prices above the Canadian level, but in April, 1936, the Canadian prices were again higher by 13 per cent for hosiery yarns and 14 per cent for warp yarns.

CANADIAN SELLING PRICES OF COTTON YARNS AS A PERCENTAGE OF UNITED STATES SELLING PRICES (IN CANADIAN FUNDS)

—	Warp Yarns (Exhibit 824)	Hosiery Yarns (Exhibit 828)
June, 1930.....	127	123
October, 1930.....	138	129
September, 1932.....	136	135
August, 1933.....	87	85
April, 1936.....	114	113

Similar price movements are shown by the exhibits relating to cotton fabrics.

CANADIAN SELLING PRICES OF COTTON FABRICS AS A PERCENTAGE OF UNITED STATES SELLING PRICES (IN CANADIAN FUNDS)

—	Vat Prints (Exhibit 839)	Bleached Fabrics (Exhibit 842)
July, 1930.....	124	136
February, 1931.....	128	134
June, 1932.....	149	156
December, 1933.....	123	100
January, 1936.....	121	107

The foregoing analysis of Canadian, United Kingdom and United States prices has shown that throughout the depression Canadian prices were maintained at a higher level than those which would have prevailed had imports been free to enter under the tariff duties prevailing prior to September, 1930, and without the restrictive effects of currency valuations and special customs appraisals. I think that the effect of customs duties and appraisals may be measured by saying that, without these changes, prices of textile products in Canada would probably have fallen from 40 to 50 per cent by 1932 from the 1929 level, instead of only 25 to 30 per cent, on the whole.

There is no doubt that a 50 per cent decline in textile prices during the depression must appear desirable when considered from the viewpoint of meeting the decline in export prices and in the purchasing power of the population. But the depression was, of course, a period of general unemployment. The question then arises of the extent to which, in the light of the financial results

obtained by the textile industry as reviewed in Chapter VI, prices of textile products might have been further reduced without aggravating the unemployment situation; because an increase in the number of unemployed would have resulted, among other things, in a corresponding decline in the national income. It is argued against the theory of a further possible reduction in prices in Canada during the depression years, that the period of low prices in the United States culminated in the setting up of the N.R.A.—intended, partly at least, to save industry from collapse—and a consequent sharp rise in prices. This question of reduced prices and of unemployment is also bound up with one of the basic objects of this inquiry, that is, “the extent to which the employer can reasonably and properly be expected to maintain employment over periods of temporary difficulty.”

During the period now under review, a relationship is found to exist between the figures of employment and the share of the domestic market enjoyed by Canadian producers at different times. This share was larger after September, 1930, than it had been before. On the other hand, the market itself was smaller during the second part of this period, because the great reduction in the national income after 1929 decreased the demand for textile products. Where a large share of the market was already filled by Canadian producers before the tariff increase, the smaller demand led to a curtailment of output by Canadian mills. This was the case in respect to cotton goods, and, in a lesser degree, to knit goods.

In the woollen and silk branches of the industry an actual increase in total employment was recorded in 1931 and further advances were made in following years. Although the demand for woollen goods declined during the depression and, consequently, the total consumption of wool piece goods, such a large part of the Canadian market was diverted to domestic producers as a result of the tariff changes of September, 1930, that even the curtailed market required a larger domestic production than before. The same factor was operative in the case of the silk industry, but, in addition, the growing demand for rayon products widened a newly-established field of manufacturing and led to greater employment. The effect of these two factors on employment in the different branches of the textile industry is shown by the index numbers of employment in Table 26. Further details of the number of workers in the industry will be found in Chapter IX. It may be of interest to point out here that between 1929 and 1936 the population of the Dominion increased by one million persons according to figures given in the Canada Year Book.

26. INDEX NUMBERS OF EMPLOYMENT IN THE PRINCIPAL BRANCHES OF THE TEXTILE INDUSTRY, 1929 TO 1937

(1929=100)

Year	Cotton Yarn and Cloth (a)	Woollen Yarn and Cloth (b)	Knit Goods and Hosiery (b)	Silk and Artificial Silk Weavers (b)	Artificial Silk Yarn Producers (b)
1929.....	100.0	100.0	100.0	100.0	100.0
1930.....	86.9	91.2	94.9	117.9	131.3
1931.....	82.6	102.6	91.8	129.1	157.9
1932.....	80.7	113.0	91.1	155.4	166.2
1933.....	77.1	132.4	88.2	173.7	182.6
1934.....	90.7	141.4	93.8	200.8	215.7
1935.....	91.3	149.6	96.8	219.9	241.3
1936.....	96.4	158.0	102.0	204.5	262.2
1937*.....	105.8	164.5	103.9	211.9	271.6

* Preliminary.

(a) Based on Monthly Employment Reports—Dominion Bureau of Statistics.

(b) Based on Census of Industry Returns—Dominion Bureau of Statistics.

DIVISION OF CANADIAN MARKET

The relative shares of the domestic market for the principal groups of textile products held by Canadian and foreign manufacturers may be estimated by correlating the census of production statistics and the export and import trade returns. As this is far from being the simple matter that it would at first appear, the results of any study of consumption trends in Canada must necessarily be viewed merely as approximations to the actual movements. One of the most serious difficulties encountered in such a study is the change in the manner of reporting quantities of imports for many textile products. Not only are classifications changed with changes in the tariff, but beginning in the fiscal year 1931-32, a number of items which had previously been reported in yards have since been reported by weight. As the official returns provide no conversion factors for relating yardage and poundage figures, it was necessary to develop various methods for deriving a continuous series of trade figures. In many respects the census of production statistics are not prepared on the same basis of classification as the trade returns, making it difficult to relate the figures to the same items. In addition, production statistics are generally "gross" figures, i.e., they contain certain duplications of output, due to products being transferred from one factory to another in the course of manufacture. For these and other reasons the figures presented in the tables which follow must, as has already been stated, be taken only as approximately correct.

Cotton Fabrics

Cotton fabrics probably serve a wider range of uses than any of the other textiles. Their consumption is thus influenced not only by changes in consumer demand, but also by changes in industrial requirements. The demands of industry for cotton goods are influenced not only by the trend of prosperity but also by the development of substitute products. The available statistics on production and imports of cotton fabrics in Canada are not sufficiently detailed to permit the separate determination of changes in consumer demand and in industrial requirements. The general tables which follow show the trend of apparent consumption in Canada during the past decade, with separate tables for grey or unbleached fabrics, bleached or white fabrics, and printed, dyed or coloured fabrics. Between 1926 and 1928 the production of cotton fabrics in Canada, after eliminating duplications of output within the industry, advanced from almost 216 million yards to more than 240 million yards. Imports also increased and the proportion of the domestic market held by Canadian producers declined slightly from 69.4 per cent in 1926 to 67.7 per cent in 1928. In 1929, there was a marked decline in the production of cotton fabrics by Canadian mills, particularly in grey goods and printed, dyed and coloured fabrics. Total imports in 1929 were slightly less than in the preceding year, but there were increases in the imports of grey goods and finished fabrics; as a result, the proportion of the domestic market held by the Canadian mills fell still further to 64.6 per cent in 1929.

The tariff changes in 1930 were followed by a reversal of the trend, although the total production of cotton fabrics continued to decline until 1931 and imports fell off until 1932. The share of the domestic market held by the Canadian mills rose to 72.6 per cent in 1931 and was maintained at 76.9 per cent in 1932 and 1933. In recent years, the proportion has fallen somewhat but remains higher than in the pre-depression period. The revival in trade in 1936 and 1937 led to a larger demand for imported fabrics, as well as for the products of domestic mills.

Canadian mills have shown an increasing ability to produce finished cotton fabrics and their share of the domestic market for printed, dyed or coloured fabrics is considerably larger than in the years prior to 1929. The report of the United Kingdom Department of Overseas Trade for 1935-36 contains the following observation on the Canadian market:—

"Last year the writer stated what is still true—that it is impossible to ignore the fact that the domestic mills are each season becoming more efficient and producing qualities and weaves which were formerly bought from United Kingdom manufacturers."

The per capita consumption of cotton fabrics is now considerably lower than in the pre-depression period. This is particularly true in the case of bleached or white fabrics and printed, dyed or coloured fabrics. The wider uses now being made of rayon fabrics has undoubtedly been partly responsible for the declining consumption of cotton goods. Nevertheless, as some of the cotton mills are now substantial producers of rayon fabrics, their position has not as yet been seriously affected by the shift in consumer demand for textiles.

27. APPARENT CANADIAN CONSUMPTION OF COTTON FABRICS 1926 to 1936

GREY, BLEACHED AND COLOURED, TOTAL

Year	Production	Imports	Apparent Canadian Consumption	Percentage Canadian Production of Consumption	Apparent Consumption Per Capita
	(000) Yds.	(000) Yds.	(000) Yds.	%	Yds.
1926.....	215,819	95,153	310,972	69.4	32.90
1927.....	229,300	113,953	343,253	66.8	35.62
1928.....	241,762	115,372	357,134	67.7	36.31
1929.....	209,724	114,915	324,639	64.6	32.37
1930.....	184,972	92,070	277,042	66.8	27.14
1931.....	180,155	68,080	248,235	72.6	23.92
1932.....	186,879	56,231	243,110	76.9	23.14
1933.....	218,896	65,904	284,800	76.9	26.66
1934.....	229,305	78,296	307,601	74.6	28.39
1935.....	209,590	73,719	283,309	74.0	25.88
1936*.....	226,105	93,046	319,151	70.8	28.94

COTTON PIECE GOODS—GREY

1926.....	66,328	19,229	85,557	77.5	9.05
1927.....	65,408	29,224	94,632	69.1	9.82
1928.....	65,468	34,720	100,188	65.3	10.19
1929.....	46,768	40,203	86,971	53.8	8.67
1930.....	36,591	31,516	68,107	53.7	6.67
1931.....	56,696	19,949	76,645	74.0	7.39
1932.....	63,083	15,828	78,911	79.9	7.51
1933.....	71,327	24,623	96,050	74.3	8.99
1934.....	69,663	29,549	99,212	70.2	9.16
1935.....	63,036	23,807	86,843	72.6	7.93
1936*.....	74,332	32,557	106,909	69.5	9.69

COTTON PIECE GOODS—BLEACHED OR WHITE

1926.....	45,312	26,690	72,002	62.9	7.61
1927.....	43,686	33,499	77,185	56.6	8.01
1928.....	41,457	29,960	71,417	58.0	7.26
1929.....	52,796	21,140	73,936	71.4	7.37
1930.....	58,716	17,119	75,835	77.4	7.43
1931.....	34,011	11,424	45,435	74.9	4.38
1932.....	30,599	9,408	40,007	76.5	3.81
1933.....	34,609	12,960	45,569	72.7	4.45
1934.....	38,159	14,804	49,963	76.4	4.61
1935.....	32,255	14,089	46,344	69.6	4.23
1936*.....	31,519	20,629	52,148	60.4	4.73

* Preliminary.

27. APPARENT CANADIAN CONSUMPTION OF COTTON FABRICS
1926 to 1936—*Concluded*

COTTON PIECE GOODS—PRINTED, DYED AND COLOURED

Year	Production	Imports	Apparent Canadian Consumption	Percentage Canadian Production of Consumption	Apparent Consumption Per Capita
	(000) Yds.	(000) Yds.	(000) Yds.	%	Yds.
1926.....	104,179	49,234	153,413	67.9	16.23
1927.....	120,206	51,230	171,436	70.1	17.79
1928.....	134,837	50,691	185,528	72.7	18.86
1929.....	110,160	53,574	163,734	67.3	16.33
1930.....	89,665	43,435	133,100	67.4	13.04
1931.....	89,447	36,707	126,154	70.9	12.16
1932.....	93,197	30,994	124,191	75.0	11.82
1933.....	112,960	28,320	141,280	80.0	13.23
1934.....	121,484	33,943	155,427	78.2	14.34
1935.....	114,299	35,823	150,122	76.1	13.71
1936*.....	120,254	39,845	160,099	75.1	14.52

* Preliminary.

It is possible to estimate the apparent consumption of cotton fabrics in Canada for 1934 and subsequent years on the basis of poundage produced and imported as the Dominion Bureau of Statistics has collected production data on a poundage basis for this period. The report of the Tariff Board on cotton fabrics under Reference 83 contains a full discussion of the relation between poundage and yardage figures for cotton fabrics and also gives the results of a special survey of the Canadian market in 1934. The Tariff Board in this report stated:—

" . . . it appears that the share of the market supplied by sales of Canadian produced grey fabrics contains a larger proportion of heavy grades of fabrics than the share of the market supplied by United Kingdom producers. This appears to be true of bleached fabrics also, while in the other divisions there appears to be little variation."

The following table presents comparable poundage figures for production and imports of cotton fabrics in the calendar years 1934 and 1936. On the basis of weight, the share of the Canadian market held by the domestic producers has declined slightly from 80.9 per cent in 1934 to 78.8 per cent in 1936. For grey and printed fabrics the proportions in 1936 were practically the same as in 1934, while an increased share on the basis of weight was held for piece dyed fabrics by Canadian producers in 1936. In the case of yarn dyed fabrics, the Canadian production formed 94.0 per cent in 1934 and 85.7 per cent of the market in 1936. A decline is also shown in the proportion for Canadian production in the case of bleached fabrics.

28. APPARENT CONSUMPTION OF COTTON FABRICS IN CANADA BY WEIGHT
1934 and 1936

	1934 (a)		1936 (b)	
	(000) Lb.	Per cent.	(000) Lb.	Per cent.
<i>Total Cotton Fabrics—</i>				
Canadian Production.....	65,037	80.9	69,588	78.8
Imports.....	15,799	19.1	18,682(c)	21.2
Total.....	80,836	100.0	88,270	100.0
<i>Grey Fabrics—</i>				
Canadian Production.....	27,967	83.7	28,048	84.1
Imports.....	5,458	16.3	5,295	15.9
Total.....	33,425	100.0	33,343	100.0
<i>Bleached Fabrics—</i>				
Canadian Production.....	7,959	78.1	7,090	72.5
Imports.....	2,236	21.9	2,687	27.5
Total.....	10,195	100.0	9,777	100.0
<i>Printed Fabrics—</i>				
Canadian Production.....	9,998	80.8	11,098	80.7
Imports.....	2,375	19.2	2,655	19.3
Total.....	12,373	100.0	13,753	100.0
<i>Piece Dyed Fabrics—</i>				
Canadian Production.....	8,022	65.8	14,496	72.2
Imports.....	4,171	34.2	5,583	27.8
Total.....	12,193	100.0	20,079	100.0
<i>Yarn Dyed Fabrics—</i>				
Canadian Production.....	12,599	94.0	8,856	85.7
Imports.....	803	6.0	1,472	14.3
Total.....	13,402	100.0	10,328	100.0

(a) Based on Report of the Tariff Board, Ref. 83, with figures for grey fabrics revised to exclude tire fabrics.

(b) Based on a preliminary tabulation of Census of Industry returns by the Primary Textiles Institute.

(c) Including imports of cut pile fabrics and fabrics composed of yarns of counts of 100 or more.

Silk and Artificial Silk Fabrics ✕

The tables on production and importations of artificial silk and silk fabrics, including mixtures, reveal the phenomenal growth of the domestic industry during the past decade and the virtual supplanting of importations by Canadian fabrics in the period subsequent to 1929. In the case of artificial silk and mixture fabrics the available supply consisted, during the early years given in the table, largely of artificial silk and cotton mixtures, but, with improvements in rayon manufacture, the output now consists largely of all-rayon fabrics. Between 1925 and 1930 the Canadian production of rayon and mixtures increased more than fivefold but imports increased much more in quantity, so that the proportion of the market supplied by domestic producers declined slightly.

The increase in tariff rates in September, 1930, led to an immediate curtailment of imports, and, as domestic production continued to advance, the share of the Canadian market supplied by domestic manufacturers increased from 25.0 per cent in 1930 to 40.6 per cent in 1931. Imports reached a low point in 1935 while Canadian production showed a marked advance, so that less than 8 per cent of the domestic demand was supplied by imports. In 1936, there was

some increase in imports and, while Canadian production increased more in quantity, the share of the market held by domestic producers declined slightly to 87.9 per cent.

The consumption of rayon fabrics has shown a marked increase in the decade, advancing from less than one yard per capita in 1926 to 3.21 yards in 1930. The curtailment in supply through loss in imports, and the lack of purchasing power of consumers, led to some reduction in consumption until 1934.

29. APPARENT CANADIAN CONSUMPTION OF ARTIFICIAL SILK FABRICS 1926 to 1936

WOVEN FABRICS OF ARTIFICIAL SILK AND MIXTURES (Not Containing Silk)

Year	Production	Imports	Apparent Canadian Consumption	Percentage Canadian Production of Consumption	Apparent Consumption Per Capita
	(000) Yds.	(000) Yds.	(000) Yds.	Per cent	Yds.
1926.....	2,000	5,400	7,400	27.0	0.78
1927.....	3,400	7,700	11,100	30.6	1.15
1928.....	4,800	12,400	17,200	27.9	1.75
1929.....	5,300	17,851	23,151	22.9	2.31
1930.....	8,200	24,576	32,776	25.0	3.21
1931.....	10,115	14,812	24,927	40.6	2.40
1932.....	13,696	6,948	20,644	66.3	1.96
1933.....	22,173	4,813	26,986	82.2	2.53
1934.....	30,966	4,701	35,667	86.8	3.29
1935.....	37,149	2,921	40,069	92.7	3.66
1936*.....	41,800	5,756	47,556	87.9	4.31

* Preliminary.

The growth in consumption of rayon fabrics has been paralleled, in part, by a decline in the use of silk piece goods. This change in consumption habits has not been reflected in the figures for Canadian production until the last few years, as the loss in imports maintained a market for Canadian products. Production increased from 1,200,000 yards in 1926 to more than 8,000,000 yards in 1930. Imports, on the other hand, were at a high point in 1927 with about 26 million yards but declined to less than 14 million in 1930, and have continued at about 2 million yards during recent years. The share of the market held by Canadian producers has thus become greater, until more than 80 per cent of the demand is met by domestic manufacturers. Per capita consumption, on the other hand, has fallen from 2.89 yards in 1927, to 1.05 yards in 1936.

30. APPARENT CANADIAN CONSUMPTION OF SILK FABRICS 1926 to 1936

WOVEN FABRICS OF SILK AND SILK MIXTURES

Year	Production	Imports	Apparent Canadian Consumption	Percentage Canadian Production of Consumption	Apparent Consumption Per Capita
	(000) Yds.	(000) Yds.	(000) Yds.	Per cent	Yds.
1926.....	1,206	22,000	23,206	5.2	2.46
1927.....	1,858	26,000	27,858	6.7	2.89
1928.....	2,704	25,000	27,704	9.8	2.81
1929.....	4,549	21,274	25,823	17.6	2.57
1930.....	8,128	13,898	22,026	36.9	2.18
1931.....	11,527	8,244	19,771	58.3	1.91
1932.....	13,936	2,942	16,878	82.6	1.61
1933.....	12,553	1,982	14,535	86.4	1.36
1934.....	12,878	1,984	14,862	86.6	1.37
1935.....	14,098	1,996	16,094	87.6	1.47
1936*.....	9,607	2,049	11,655	82.4	1.05

* Preliminary.

Wool Fabrics

The wool cloth industry, as was pointed out in Chapter II, has had a chequered career in Canada. Developing out of a domestic industry into factory manufacture, it was unable to compete with the more advanced English industry and lost ground until revived by the stimulus of war demands. Table 31 gives the significant figures for production and imports in the post-war periods. The apparent maintenance of Canadian production of wool fabrics from 1926 to 1929 is due to the increasing production of industrial products in the pre-depression period and the figures conceal, to some extent, a decline in the production of piece goods in this period.

The effect of the tariff changes of 1930 is strikingly revealed by the figures for 1931 and subsequent years. Production, which had declined to about 6·5 million yards in 1930, advanced to 9·7 million yards in the following year and continued to increase thereafter. Imports, however, declined 46 per cent in 1931 from 1930 and continued to fall until 1933. It is likely that there would have been some reduction in imports if the tariff rates had been maintained as there had been a decline of more than 4·5 million yards between 1929 and 1930, but the decline would almost certainly have been smaller under lower duties.

In spite of the increased production of Canadian wool fabrics, the available supply of goods dropped from 2·43 yards per capita in 1930 to 1·84 yards in 1932. Although there has been some increase in consumption in recent years the average of 2·59 yards for 1936 was well below the pre-depression level.

Canadian producers were providing about one-quarter of the supply of wool fabrics in the pre-depression period, but, after the curtailment in imports, their share rose to more than one-half and in 1935 and 1936 was almost sixty per cent.

31. APPARENT CANADIAN CONSUMPTION OF WOOL FABRICS
1921 to 1935

Year	Production	Imports	Apparent Canadian Consumption	Percentage Canadian Production of Consumption	Apparent Consumption Per Capita
	(000) Yds.	(000) Yds.	(000) Yds.	Per cent	Yds.
1921.....	7,599	11,578	19,177	39·6	2·18
1922.....	8,201	21,838	30,039	27·3	3·37
1923.....	8,398	24,345	32,833	25·6	3·64
1924.....	7,979	27,809	35,788	22·3	3·91
1925.....	8,590	22,713	31,303	27·4	3·37
1926.....	8,092	26,700	34,792	23·3	3·68
1927.....	8,683	25,991	34,474	25·2	3·58
1928.....	9,102	25,620	34,722	26·2	3·53
1929.....	8,815	22,774	31,589	27·9	3·15
1930.....	6,523	18,240	24,763	26·3	2·43
1931.....	9,742	9,840	19,582	49·7	1·89
1932.....	11,123	8,218	19,341	57·5	1·84
1933.....	14,228	8,144	22,372	63·6	2·09
1934.....	14,270	10,782	25,052	57·0	2·31
1935.....	15,560	10,940	26,500	58·7	2·42
1936.....	16,518	12,020	28,538	57·9	2·59

Silk and Artificial Silk Hosiery

Canadian manufacturers of real silk hosiery were supplying all but a very small part of the domestic requirements in the period prior to 1930, and the effect of the tariff change in that year was practically to eliminate the small remaining volume of imports. On the other hand, Canadian producers continued to develop their export trade, until by 1936 exports formed more than 18

per cent of the Canadian production. The apparent consumption of real silk hosiery declined during the first years of the depression, but has since recovered and is now considerably higher than in 1929. The per capita measure is, of course, not altogether a satisfactory indication, as the bulk of the silk hosiery is ladies' wear.

32. APPARENT CANADIAN CONSUMPTION OF SILK HOSIERY

Year	Production	Imports	Total	Exports	Apparent Canadian consumption	Percentage Canadian production of consumption	Percentage of Canadian production exported	Apparent consumption per Capita
	(000) Doz. Prs.	(000) Doz. Prs.	(000) Doz. Prs.	(000) Doz. Prs.	(000) Doz. Prs.	%	%	Pairs
1929.....	1,345	76	1,421	57	1,364	98.6	4.2	1.63
1930.....	1,396	40	1,436	76	1,360	102.7	5.5	1.60
1931.....	1,270	5	1,275	68	1,207	105.3	5.4	1.40
1932.....	1,471	2	1,473	129	1,344	109.4	8.8	1.54
1933.....	1,657	1	1,658	178	1,480	111.9	10.7	1.66
1934.....	1,818	1	1,819	263	1,556	116.9	14.5	1.72
1935.....	2,087	1	2,088	304	1,784	117.0	14.6	1.96
1936.....	2,347	1	2,348	432	1,916	122.5	18.4	2.08

The increasing popularity of real silk hosiery has served to limit the demand for the synthetic product, and the apparent consumption of artificial silk hosiery in Canada has declined steadily. Imports formed more than 40 per cent of the available supply in 1929 and 1930, but were practically excluded after the increase in tariff rates. To what extent cheap rayon hosiery would have met a domestic demand cannot be estimated, but there is some likelihood that a market would have continued for low-priced imported rayon hosiery which was not served by the higher priced domestic products.

33. APPARENT CANADIAN CONSUMPTION OF ARTIFICIAL SILK HOSIERY

Year	Production	Imports	Total	Exports	Apparent Canadian consumption	Percentage Canadian production of consumption	Percentage of Canadian production exported	Apparent consumption per Capita
	(000) Doz. Prs.	(000) Doz. Prs.	(000) Doz. Prs.	(000) Doz. Prs.	(000) Doz. Prs.	%	%	Pairs
1929.....	797	504	1,301	—	1,301	61.3	—	1.56
1930.....	640	567	1,207	—	1,207	53.0	—	1.42
1931.....	879	11	890	—	890	98.8	—	1.03
1932.....	906	3	909	—	909	99.7	—	1.04
1933.....	699	1	700	—	700	99.9	—	0.79
1934.....	659	1	660	—	660	99.9	—	0.73
1935.....	688	1	689	—	689	99.9	—	0.75
1936.....	648	1	649	—	649	99.9	—	0.71

Woollen and Cotton Hosiery

In the case of wool and cotton hosiery, a considerable part of the domestic demand was met by imported goods prior to 1931; the imports of cotton hosiery being proportionately greater than those of wool. Imports dwindled from 1931 onwards with much greater reduction in imports of cotton hosiery than of wool. Approximately 95 per cent of the available supply of wool hosiery now comes from Canadian mills, whilst practically all the cotton hosiery used in Canada is of domestic manufacture.

34. APPARENT CANADIAN CONSUMPTION OF WOOLLEN HOSIERY

Year	Production	Imports	Total	Less exports	Apparent Canadian consumption	Percentage Canadian production of consumption	Apparent consumption per Capita
	(000) Doz. Prs.	(000) Doz. Prs.	(000) Doz. Prs.	(000) Doz. Prs.	(000) Doz. Prs.	%	Pairs
1929.....	1,296	565	1,861	2	1,859	69.7	2.22
1930.....	1,158	496	1,654	2	1,652	70.1	1.94
1931.....	1,418	203	1,621	2	1,619	87.6	1.87
1932.....	1,474	106	1,580	2	1,578	93.4	1.80
1933.....	1,590	87	1,677	4	1,673	95.0	1.88
1934.....	1,573	82	1,656	10	1,646	95.6	1.82
1935.....	1,585	97	1,681	8	1,673	94.7	1.83
1936.....	1,734	108	1,842	9	1,833	94.6	1.99

35. APPARENT CANADIAN CONSUMPTION OF COTTON HOSIERY

Year	Production	Imports	Total	Less exports	Apparent Canadian consumption	Percentage Canadian production of consumption	Apparent consumption per Capita
	(000) Doz. Prs.	(000) Doz. Prs.	(000) Doz. Prs.	(000) Doz. Prs.	(000) Doz. Prs.	%	Pairs
1929.....	846	665	1,511	5	1,506	56.1	1.80
1930.....	762	715	1,477	6	1,471	51.8	1.73
1931.....	1,456	14	1,471	6	1,465	99.4	1.69
1932.....	1,271	8	1,279	7	1,272	100.0	1.45
1933.....	1,465	2	1,468	11	1,457	100.6	1.64
1934.....	1,733	2	1,735	29	1,707	101.5	1.89
1935.....	1,828	1	1,829	25	1,805	101.3	1.98
1936.....	1,822	2	1,824	26	1,798	101.3	1.95

Knit Goods

Owing to the wide variety of knit goods articles, other than hosiery, and the lack of sufficient detail as to products in the census and trade returns, it is not possible to determine the relative shares of the domestic market for knit goods held by Canadian and foreign manufacturers. The following figures for underwear, derived from the Canadian census reports and the trade returns for the United Kingdom and the United States, serve to indicate partially the trend of consumption and the share of the market held by Canadian producers during recent years. It must be borne in mind that the demand for knit goods, as for other clothing, is influenced by changes in fashion and modes of living. Lighter articles of clothing are becoming increasingly popular with improvements in heating and methods of transportation.

PRODUCTION AND IMPORTS OF UNDERWEAR, 1926 to 1935

WOOL AND WOOL MIXED UNDERWEAR

	Production (a)	Imports from United Kingdom (b)
	doz.	doz.
1929.....	259,926	29,300
1930.....	227,925	24,216
1931.....	231,569	20,564
1932.....	199,987	19,627
1933.....	213,447	17,230
1934.....	198,186	17,146
1935.....	194,906	24,108
1936.....	246,471	33,107

COTTON AND COTTON MIXED UNDERWEAR

	Production (a)	Imports from United Kingdom (b)	Imports from United States (c)
	doz.	doz.	doz.
1929.....	1,067,553	2,125	60,919
1930.....	846,840	1,906	52,563
1931.....	679,654	3,205	32,947
1932.....	760,521	10,534	8,270
1933.....	899,263	10,430	3,543
1934.....	976,453	8,214	1,845
1935.....	1,001,373	11,551	1,804
1936.....	1,093,586	20,518	4,502

ARTIFICIAL SILK UNDERWEAR

	Production (a)	Imports from United States (c)
	doz.	doz.
1929.....	325,492	7,104
1930.....	372,242	4,671
1931.....	329,353	4,480
1932.....	286,031	171
1933.....	300,648	130
1934.....	313,898	229
1935.....	291,713	314
1936.....	271,561	374

(a) Two single garments have been considered as one combination garment in arriving at the totals.

(b) As reported in the United Kingdom Trade returns.

(c) As reported in the United States Trade returns.

EXPORTS OF MANUFACTURES OF THE TEXTILE INDUSTRY

Exports of textile manufactures form a very small part of Canada's total export trade, although the exports of certain textile products have been assuming greater importance in recent years. Only three textile manufactures were listed among the eighty-six leading export commodities in the fiscal year 1936-37, of which the largest, socks and stockings, ranked 52nd. In the same year exports of raw and manufactured fibres and textile products constituted 1.2 per cent of Canada's exports. In addition, manufactured textile products enter into the production of some of the leading exports, such as automobiles, rubber tires and rubber footwear.

Prior to the Great War exports of textile manufactures consisted largely of cordage, rope and twine (including binder twine) and cottons. Exports of cotton piece goods, as was pointed out in Chapter II, were made to China from 1885 to the early years of the present century, and considerable shipments were made to the Antipodes in one or two years prior to the Great War. Substantial exports of binder twine, chiefly to the United States, commenced about 1904. In the fiscal year 1913-14 the following exports of textile manufactures were recorded:—

Cotton and its products.. . . .	\$130,196
Silk and its products.. . . .	26,880
Woollen manufactures.. . . .	81,555
Binder twine.. . . .	453,530
Cordage, rope and twine.. . . .	60,127

During the war and immediate post-war years, textile exports advanced both in value and quantity as considerable shipments arising out of war-time demands were made to Europe and the United States. The collapse of world prices in 1921-22 and the cessation of war-time demands caused the disappearance of the greater part of this foreign trade, which reached its peak in 1919-20, when the following exports were recorded:—

Cotton duck.. . . .	\$ 949,263
Other cotton fabrics.. . . .	1,734,010
Silk and its products.. . . .	176,461
Woollens, &c.. . . .	5,481,202
Binder twine.. . . .	5,530,908
Cordage, rope and twine.. . . .	179,534

The bulk of the cotton fabric and woollen shipments in this year was made to Greece and Roumania as a result of credits advanced to these countries, while the exports of binder twine were principally to the United States and Argentina.

In the period from 1923 on exports of textile manufactures were somewhat larger in volume than in the immediate pre-war period and, due to the higher price level, considerably greater in value. Exports of socks and stockings were recorded separately for the first time in the fiscal year 1926-27 when 29,716 dozen pairs, valued at \$173,260, were reported. The exports of these articles, and particularly of silk stockings, increased thereafter and have now become the largest single textile export from Canada.

Statistics of exports of textile products were included in the questionnaires submitted by manufacturers to the Commission. The relative importance of exports in the several branches of the industry may be indicated by relating the value of exports to the total sales of the companies reporting for the year 1935.

EXPORT SALES AS PERCENTAGE OF TOTAL SALES OF TEXTILE MANUFACTURERS, 1935

Group	p.c.
Primary Cottons.....	2.10
Woollens.....	0.01
Papermaker's felts.....	11.00
Silk.....	2.80
Artificial Silk.....	(1)
Hosiery.....	12.30
Knit Goods.....	0.80
Carpets.....	(1)

(1) Negligible.

The principal exports of textile manufactures during the fiscal year 1935-36 are shown in the Trade of Canada as follows:—

36. EXPORTS OF CERTAIN TEXTILE MANUFACTURES,
FISCAL YEAR 1935-1936

Commodities	Quantity	Value
Silk Socks and Stockings—	doz. pr.	\$
Total.....	331,397	2,118,917
United Kingdom.....	47,843	327,304
Other British Countries.....	262,961	1,655,936
Other Countries.....	20,593	135,677
Binder Twine—	ewt.	
Total.....	186,826	1,077,961
United Kingdom.....	67,737	392,227
Other British Countries.....	11,261	61,329
Other Countries.....	107,828	624,405
Cotton Fabrics—	yds.	
Total.....	3,040,464	994,731
United Kingdom.....	68,761	10,243
Other British Countries.....	2,408,339	825,983
Other Countries.....	563,364	158,505
Artificial Silk Manufactures, n.o.p.—		
Total.....		510,745
United Kingdom.....		130,425
Other British Countries.....		374,228
Other Countries.....		6,092
Felt, Manufactures of—		
Total.....		336,464
United Kingdom.....		142,791
Other British Countries.....		109,524
Other Countries.....		84,149
Silk Manufactures, n.o.p.—		
Total.....		301,326
United Kingdom.....		55,729
Other British Countries.....		130,984
Other Countries.....		114,613
Cotton Ducks—	yds.	
Total.....	352,121	141,739
United Kingdom.....	101,625	41,934
Other British Countries.....	148,910	64,295
Other Countries.....	101,586	35,510
Cotton Underwear—		
Total.....		106,635
United Kingdom.....		29,117
Other British Countries.....		71,320
Other Countries.....		6,198
Cordage, Rope and Twine—		
Total.....		81,946
United Kingdom.....		15,337
Other British Countries.....		30,905
Other Countries.....		35,704
Artificial Silk Underwear—		
Total.....		78,631
United Kingdom.....		249
Other British Countries.....		77,567
Other Countries.....		815
Wool Fabrics—	yds.	
Total.....	20,994	24,990
United Kingdom.....	1,019	1,254
Other British Countries.....	11,483	12,525
Other Countries.....	9,492	11,211
Wool Underwear—		
Total.....		11,039
United Kingdom.....		
Other British Countries.....		9,751
Other Countries.....		1,288

CHAPTER VI

INVESTMENT—PROFITS—COSTS

It is of importance to the Government of Canada and to the public that all facts which it is reasonably possible to ascertain concerning the investment represented in the textile industry, as well as the industry's true profits and costs of production, should be made known on the occasion of this inquiry. The Order in Council calls for this. Moreover, it is, in my opinion, equally important, looking to the future, that the affairs of each member of the industry should be so regulated as to make information of this character available from time to time, and at fairly frequent intervals, to all concerned. If this broad statement should require any reservation, or qualification, from the point of view of reasonableness or practicability, the necessary observations will be made as I proceed.

It is the fact that the Canadian textile industry enjoys, and has enjoyed for many years, the advantage of a protective tariff which makes it accountable to the community for the condition of its affairs. The community, having accepted the sacrifice of the tax imposed upon it for the industry's benefit, has the consequent right to know what is going on under the regime thereby created presumably in the interest of the nation. It will be well then to begin this chapter by a statement showing the investment in the textile industry. This statement cannot be an altogether complete one, nor can it be formulated in a manner which will please everybody. It cannot be complete, because, in so far as the Commission auditors have been able to conduct their probe, it affects only the reporting companies, one hundred and fifty in number, who, however, comprise about eighty per cent of the industry, on the basis of the capital employed. It cannot please all concerned because different methods may plausibly be advanced, and were advanced, for arriving at values. On the whole, I am convinced that the lines followed by the Commission auditors lead to more justifiable results than the others suggested, certain errors which appeared in some of the exhibits filed having been rectified while the Commission was still sitting.

Many of the companies brought forward statements basing the value of their "investment" on appraisals made, at some time or another, of their properties and equipment. But on the part of the Commission, no attempt was made to obtain any such expert valuation of assets. Whatever value might have been attached to such a valuation, and I shall discuss that later, it would, of course, have been practically impossible of attainment, as it would have necessitated the making of an appraisal in the case of each company's assets. The Commission auditors presented statements showing the "capital employed" in the reporting companies from year to year, beginning with the year 1926. The Dominion Textile Company is the only company which brought accountants before me to place a value upon its investment and to submit to examination on their method of valuation. In dealing with this company's presentation, the Commission auditors took exception to a certain item represented by "goodwill" and to appraisals placing higher values on assets at certain times. These matters will be gone into. In so far as this company is concerned, the statements filed on both sides are available for reference in case of need, and later on I shall state the respective results arrived at.

Following then, the methods of accounting to which I have alluded and which impressed me as fair, the Commission auditors find that the total capital employed by all the reporting companies in the financial year 1935-36 was \$146,873,160.50.

On the other hand, Mr. Kellock in his factum states the "capital employed" by the whole of the textile companies to be \$237,000,000 (in round figures) according to the Census of Industry returns for the calendar year 1934.

In comparing these two sets of figures, two points of distinction must be borne in mind: (1) the auditors' figures are founded upon the actual moneys or other tangible values invested in each company as capital with the accretions to this capital derived from earnings, while the Census return made by each company is, under the heading "capital employed," a valuation by the company of its land, buildings, fixtures, machinery, inventories of stocks, etc.; and (2) the Census returns cover the whole of the industry, while the auditors' figures have reference only to the one hundred and fifty companies which reported to the Commission:

In order to arrive at a closer approximation of the two valuations of "capital employed," I have obtained the Census of Industry returns for the year 1935. With the help of these it is now possible to furnish the following tabulation:—

(1) "Capital employed" by the 150 reporting companies according to auditors' estimate	\$146,873,160.50
(2) "Capital employed" by these same 150 companies according to Census of Industry returns for 1935	185,366,792.00
(3) "Capital employed" by all companies in Canada according to these Census returns.....	232,973,377.00

It should be stated here, to avoid possible misunderstanding, that all the foregoing figures have reference only to the primary textile industry, the object of this inquiry, to the exclusion of the needle trades comprised in the secondary textile industry and which also make census returns not included in this tabulation.

I shall now discuss as briefly as possible the facts relating to the incorporation and the development of the Dominion Textile Company. I do this because, as I have said, this Company is the only one that brought its own accountants before me to take issue with certain of the findings of the Commission accountants, and also because, on the one hand, this Company occupies an exceptionally important place in the Canadian textile industry, and, on the other hand, its financial record reveals some of the practices followed in making up the total investment in companies, which the Commission accountants consider objectionable.

(Before proceeding, I wish to say here parenthetically that Counsel for the Commission and the auditors advise me that in their work in gathering information covering the Dominion Textile Company, their task was facilitated in every way by the courteous assistance which they received from the Company's executive heads and office officials. Without this co-operation, the work of the Commission experts would have been much more arduous and more protracted than it was.)

In 1904 there were, among the textile companies operating in Canada, four named: (1) Dominion Cotton Mills Company Limited; (2) Merchants Cotton Company Limited; (3) Montmorency Cotton Mills Company Limited and (4) Colonial Bleaching and Printing Company Limited. In that year a syndicate of sixteen persons was formed for the purpose of acquiring a majority of the capital stock in each of these four companies and of incorporating a new company to be known as the Dominion Textile Company Limited. The shares of the old companies to be acquired by the syndicate were to become eventually the property of the new company. It was intended that, this transaction being completed, the new company would endeavour to acquire the remaining outstanding shares in the old companies, would take over their physical assets, and would operate as one company in the place of the four.

The Royal Trust Company was appointed to act as trustee for the due carrying out of the transaction among the parties concerned. The writing of a full account of what occurred would take up more time and more space in this report than should properly be given to it. It is set out fully in exhibits numbered 330 to 336 and in exhibit 512. The gist of it may, I think, be summarized as follows: (1) the sixteen members of the syndicate paid to the Trust Company \$1,000,000 which, eventually, was paid over to the Dominion Textile Company, and beyond this sum of \$1,000,000 they assumed, at no time, any financial responsibility whatever in the transaction; (2) while the individual shareholders comprising the majority in each of the four companies assigned their shares to the Trust Company "for the benefit of the syndicate," they did so in consideration of the receipt by them of bonds and preferred stock in the new company; (3) in reality, through the instrumentality of the Trust Company, the syndicate received the majority of the old companies' shares from the persons holding them: they received bonds and preferred stock from the new company in sufficient value to represent the payment to be made for these shares: they handed the old shares to the new company and the new company's bonds and preferred stock to the old shareholders; (4) the syndicate, having acted as just stated, and having paid the new company the sum of \$1,000,000 above mentioned, received for themselves from the new company, each member in proportion to the part of the \$1,000,000 contributed by him, 5,000 shares of the company's preferred stock of a par value of \$100 each and 50,000 common shares also of a par value of \$100 each.

In respect to enumeration (3) in the above paragraph, I may say that the bonds issued as there stated amounted to \$1,534,500, and the preferred stock to 7,187 shares of \$100 each.

The financial risk which the members of the syndicate assumed in entering into and carrying out the venture which culminated in the creation and the putting into operation of the Dominion Textile Company was limited therefore to their \$1,000,000 investment. It never exceeded that amount at any time. At the outset this investment gave them preferred stock of the par value of \$500,000, and common stock of the par value of \$5,000,000.

This transaction was completed in January, 1905. Thereafter, the Dominion Textile Company proceeded to acquire the remaining minority stock in the old companies by dealing with them through the Royal Trust Company without the interposition of the syndicate. This involved the issue of further bonds in the amount of \$1,224,500 and of preferred shares in the amount of \$503,500; making a total issue of bonds of \$2,759,000 and of 12,222 preferred shares of \$100 each.

The syndicate's \$1,000,000 investment proved unusually profitable. One of the members of the syndicate who was examined in Montreal, said that he had retained all his shares, except some transferred as gifts to members of his family. I do not know whether any of the other members are in this position. The interest on the \$500,000 in preferred shares has always been paid. The \$500,000 invested in common stock has yielded an average annual return of over 98 per cent, reaching a high point of 150 per cent in several years and never going lower, after the first two years, than 50 per cent. No dividend was paid for the first two years.

A question arose, during the discussion concerning this syndicate, as to the relation of some of its members to the four old companies who disappeared to give place to the Dominion Textile Company. The fact is that no group of any of these formed a majority on the board of directors of any of the old companies. Two were directors of the Montmorency Cotton Mills Ltd. on a board of seven; one of the Colonial Bleaching Company on a board of six; one of the

Dominion Cotton Mills on a board of eight; and one of the Merchants Cotton Company on a board of eight. None of these five men were members of more than one board.

The foregoing recital is interesting particularly because it illustrates one way in which a company's capital structure may be inflated, larger earnings required before real profits are shown, and, incidentally, a plausible case made out for the maintenance of a high tariff. The company dealt with the \$4,500,000 represented by the par value of stock issued to the directors in addition to what was sufficient to correspond to actual money invested by them, as an item of "goodwill." Some years later the company decided to place an additional value of \$2,094,721.81 on the assets taken over from the old companies: additional, that is to say, to the value at which they had been secured; and they reduced the outstanding charge for "goodwill" by this amount, bringing it down from \$4,500,000 to \$2,405,278.19. This additional value of \$2,094,721.81 applied to the assets of the old companies was arrived at by going back to the book values of these assets kept by the old companies at the time of the sale.

The Commission accountants took objection to this method of building up the amount of capital employed in the company. From what I have heard on both sides of this question, I believe the objection is well taken. In my opinion the figure \$4,500,000 does not represent a real investment, and on the other hand, the old book value of the assets ceased to have any significance once the sale was completed.

When I say that the \$4,500,000 does not represent a real investment, I do not intend this to mean that the members of the syndicate might not have been entitled, on a proper basis, to some remuneration from the Dominion Textile Company for the services they rendered in helping to bring about the elimination of the old companies and the setting up of the new one. Similar services might have been rendered by an outside financial company and would have been remunerated by some form of payment. Mr. Heward evidently had this in mind when he argued as stated in his factum at page 6:—

"It is not proper, however, to take into account only the tangible assets in the form of plant, machinery, stock-in-trade, etc., represented by the shares of the constituent companies acquired by Dominion Textile Company, Limited, because that company in fact received intangible assets which soon proved to be of considerable value.

"These intangible assets consisted of services in negotiating the acquisition of the shares of the four constituent companies, the selling at par of the bonds and the preferred stock of the new company, the benefit of unified management and control, and of reductions in overhead expense, the elimination of excessive competition among the original companies and similar factors which though intangible are nevertheless of real value and importance."

I will not take time to analyse the different kinds of services recited in this second paragraph, and credited to the syndicate, although the value of some of them might be questioned. Credit taken for "the selling at par of the bonds and the preferred stock of the new company" will hardly stand analysis. I was not asked to place any value on these "intangible assets." The question on the accounting was the justification of the carrying by the company of the whole of this \$4,500,000 as "goodwill."

In 1920 the company had an appraisal made of its assets. This appraisal added \$10,459,537 to their value. It was made at a time of inflated values. At the annual meeting in 1920, the president of the company said: "During the past few years the cost of building and equipping a cotton mill has increased probably more than that of any other industry." On the basis of this valuation the capital and assets of the company were written up in 1923 by \$7,500,000. Just before this was done 25,000 new shares of a par value of \$100 were issued to be purchased by the shareholders. On the company's balance sheet for 1922 the common stock is set down at \$5,000,000. This represents the original issue of 50,000 shares at a par value of \$100 which went to the syndicate in 1905. In 1923 the balance sheet shows the common stock at \$7,500,000. This reflects

the addition to the original 50,000 shares of the 25,000 shares issued to the shareholders in the financial year 1922-23. In December, 1923, a new company was created under the name of Dominion Textile Company, Limited, to take over the assets and the business of the old company. The shares in the old company were exchanged in the proportion of 3 new no par value shares for each old share of \$100. The preferred stock was exchanged share for share. On the balance sheet of 1924 the common stock is shown as 225,000 shares of no par value, valued by the company at \$15,000,000. To justify the increase in the value of its common stock in one year from \$7,500,000 to \$15,000,000, the company points to the appraisal of 1920 which added \$10,459,537 to the value of the assets. It is also put forward that this revaluation is justified in part by yearly replacements and betterments paid for out of earnings. But it is only in so far as expenditures so made might be shown to have been taken out of legitimate annual *profits* (as distinguished from charges to operating expenses) that they can be said to constitute a reinvestment in the company by the shareholders.

The last addition to the company's common stock was made in 1929. On that occasion 45,000 no par value shares were issued to the shareholders at \$75 per share. This issue increased the total shares to 270,000 and brought \$3,375,000 of new money into the company.

The value of the common stock shown on the company's balance sheets since this last issue has remained at the constant figure of \$18,375,000.

What the Commission auditors point out is that included in this figure are two items which are unjustifiable for the reasons already shown. These are: (1) \$4,500,000 "goodwill" item of 1905 and (2) the \$7,500,000 "appraisal" item of 1923.

The Company's accountants do not present their figures under the title of "capital employed." Two sets of figures are given. First, under the title "invested capital on a cost basis," they show \$17,983,218, an undetermined part of which is represented by outside investments, which excludes the Company's bonds (\$4,457,000) and takes no account of the appraisal of 1920, but includes \$2,094,722, the enhanced value put upon the assets of the old companies. Under the title "value of investment as reflected by capital structure," they show \$27,820,437. This latter figure again excludes the Company's bonds, but includes the write-up of 1923 made after the 1920 appraisal, and the sum of \$2,337,219, represented by the balance of the original "goodwill" item of \$4,500,000. The figures are submitted in the Company's exhibit 1232 and are recited in Mr. Heward's factum.

During the course of the argument, Mr. Heward presented other figures which showed first, "investment in manufacturing and working assets on a cost basis" as \$18,388,486. This total includes the investment in subsidiary textile companies and the Company's bonds, as well as the \$2,094,722, added to the value of the old companies' assets. Under the title "investment in manufacturing and working assets on value of investment," \$28,225,705 is shown. This figure includes the write-up of \$7,500,000 of 1923 and the sum of \$2,337,219, the balance of original "goodwill," referred to above.

The whole of the foregoing presents, I think, all that can be said in respect to the Dominion Textile Company on the subject of "investment" as set out in the Order in Council. The real question is, what amount of money can properly be said to have been "invested" from the point of view of the adequacy of earnings? In my opinion this question is best answered by taking the money and other tangible values received by the Company and adding to these the profits ploughed back into the Company's business. Unfortunately, the accounts do not show what these profits amount to.

Mr. Heward states in his factum that, "viewing the Company's earnings in relation to the value of its investment, its earnings have been entirely

inadequate." He concludes that the protection afforded to the textile industry "is not sufficient to assure to that industry a fair yield on its investment having in view the risks involved."

On this last point the records show that the dividend of 7 per cent has always been paid on the Company's preferred shares of a par value of \$100. The low quoted price of these shares on the Montreal Stock Exchange in 1937, according to the *Financial Post*, was \$135. The Company's common shares, split three to one from \$100 to no par value, have never paid less than a dividend of \$4 in the last ten years, and this low point of \$4 was reached only in 1934. In the other years the dividend was \$5, excepting in 1933 when it was \$4.75. On the other hand, the highest amount ever paid to the Company for these shares was \$75. The yield to those who paid this high figure is therefore $6\frac{2}{3}$ per cent at this time.

This history of the Dominion Textile Company calls attention to two practices which serve to distort the true value of investments in a company: the issue of large amounts of shares for so-called "goodwill," and the inflation of the value of assets by appraisals made in times of high prices. A few more examples will help to illustrate how these practices operate.

Penmans Limited was incorporated in 1906 and took over the property and business of the Penman Manufacturing Company.

An agent, acting for a group, purchased the shares of the old company for \$350 each.	\$2,528,400.00
The assets taken over amounted to.	\$3,103,973.94
The liabilities assumed amounted to.	659,020.60

Net assets taken over.	\$2,444,953.34	2,444,953.34
--------------------------------	----------------	--------------

Apparent profit to old company.	\$ 83,446.66
---	--------------

The assets, less \$25,000 shares in Paris Plough Co. (apparently retained by the group) were sold to the new company.

Net assets.	\$2,419,953.36
Goodwill set up.	2,157,216.35
Appraisal (increase in value of assets).	422,830.31
	<u>\$5,000,000.00</u>

Purchase price:—

Preferred shares.	\$1,000,000
Common shares.	2,000,000
Bonds.	1,500,000
Cash.	500,000
	<u>\$5,000,000</u>

Thus the company, with no change except that \$25,000 shares in Paris Plough, were kept by the group, had its book value increased by \$2,580,046.66. That is, shares to this amount were set up beyond the price at which the old company was prepared to sell, after it had taken a book profit of \$83,446.66. The increase in book value of the assets between the sale by the old company and the purchase by the new was over 100 per cent.

There are various ways of summarizing the operations of the company:—

(1) On common stock issued wholly for goodwill, an average of over $7\frac{1}{2}$ per cent has been paid in 29 years and, in addition, the book value of the common share equity has more than trebled.

(2) The average of the percentage earned on the progressive total of common share equity was over $7\frac{1}{4}$ per cent, or over 19 per cent if goodwill is eliminated.

(3) Even in the most favourable light from the Company's point of view, only in four years have the operations been really disappointing, and as far as can be seen the management has never had doubts that it is advantageous to the shareholders for part of the profits to be retained and reinvested to expand the operations.

The Monarch Knitting Co. Ltd. was incorporated in 1912 to take over the business of a company operating under the same name. The balance sheet of the old company on January 15, 1912, showed a total capital and surplus of \$781,630. Among the assets was an item of \$97,520 for goodwill, contracts and trade marks. In April, 1912, the business was sold to the new company. The capital of the new company consisted of 7,500 cumulative preference shares of \$100 each and 12,750 common shares of \$100 each. An offering was made to the public of the 7,500 seven per cent cumulative preference shares at \$100, carrying a bonus of 15 per cent of common stock, amounting to a total of 1,125 common shares. Of the \$1,275,000 par value common shares, \$1,045,905 was represented by goodwill, contracts and trade marks.

Dividends on the preference shares were paid regularly from 1912 to November, 1924, but only one month's payment (7/12 per cent) was made in 1925. No further dividends on preference shares were paid until May, 1929, when payments were resumed and continued regularly until November, 1930. Dividends were again suspended in 1931 and payments were not resumed until February, 1934, when a dividend of \$3 was paid for the preceding year, while for 1934 dividends amounted to \$4. Regular quarterly dividends were resumed on April 1, 1935. As at December 31, 1936, the dividend arrears on preference stock amounted to 50 $\frac{1}{8}$ per cent. A dividend of 1 $\frac{1}{2}$ per cent was paid on the common stock for 1912 and 6 per cent for 1913. No further dividends on common shares were paid until 1919 when 4 per cent was paid, and in 1920 and 1921 the dividends were 4 $\frac{1}{2}$ and 4 per cent, respectively. No dividends have been paid on the common stock since 1921.

The Dominion Woollens and Worsteds Ltd. was incorporated on June 7th, 1928 to acquire the entire assets of Canadian Woollens Ltd. and R. Forbes Ltd. The Canadian Woollens Ltd. was in itself a merger of several companies. When the Canadian Woollens Ltd. was formed in 1919 it secured net assets valued at \$2,057,562 while the book value of its assets was placed at \$3,498,500. A "goodwill" item of \$1,440,938 was entered in the books of the Company.

When the Dominion Woollens and Worsteds Ltd. was formed the following items were adjusted according to the statements filed by this Company with the Commission:

A. Net increase in Fixed Assets due to appraisal.....	\$2,587,285.37
B. Write off Goodwill of Canadian Woollens Ltd.....	<u>1,440,937.81</u>
Net amount by which asset values written up.....	\$1,146,347.56

The capitalization of the Dominion Woollens and Worsteds Ltd. in 1928 was \$2,250,000 first mortgage 20 year 6 per cent bonds which had been sold for \$2,070,000 cash and \$1,500,000 6 per cent cumulative preferred shares of \$100 each issued to Canadian Woollens Ltd. as part payment, and 60,000 common shares of no par value, but recorded at \$10 each. No dividends have been paid on either preferred or common shares. The Company showed a profit in 1929 but losses were made in the following years. Interest on bonds was paid from 1929 to 1932, but payment was deferred in 1933, in which year a capital re-organization took place under which the holders of the preferred stock accepted 4 shares of new common stock for each share of preferred and the holders of common stock were given 1 share of new stock for each 4 shares of old stock. In face of continual unsatisfactory operations a further capital re-organization took place in 1935 when, by approval of shareholders and bondholders and confirmation by supplementary letters patent, the bondholders received for each \$100 old bond a \$50

new bond and 3 shares of new 6 per cent cumulative preferred stock of \$20 each par value. No interest was paid on the bonds in 1935 or 1936, but interest accruing from July 1937 became a fixed charge payable January 1st, 1938. Indications have been given in the press that this payment would be made.

As a preliminary to the public inquiry, the Commission auditors sent to all textile manufacturers a questionnaire to be filled in and returned showing all information regarding: the history of the capital structure of each company and of its subsidiary or affiliated companies; complete financial statements including surplus account from the inception of each company; detailed profit and loss accounts, summaries of raw material and inventory data and mill operating and production accounts from 1926 onward; particulars of salaries, wages, etc.; and several other specified subjects, all intended to furnish as complete a statement as possible regarding the company's corporate standing and its business. From the particulars furnished in the answers to the questionnaire, and from further information obtained from some of the companies when occasion arose, the auditors compiled statements showing, among other things, the capital which, in their opinion, might rightfully be said to have been employed in each company from time to time and the profits shown to have been earned.

The result of the method pursued is that we have one hundred and fifty questionnaires returned by as many companies and a great number of auditors statements, all filed as exhibits in the proceedings. The auditors were examined upon their statements by counsel for the industry as well as counsel for the Commission. My remarks in this chapter regarding investments and profits have, as their foundation, these questionnaires and statements and the oral evidence given in relation to them.

Mr. Kellock took exception to some of the methods followed by the auditors in compiling their statements. He objected particularly to the showing of net profit to sales before deducting income tax and bank interest. Mr. Kellock is right in contending that the term "net profits" in each year, means, in a strictly accurate sense, "the fund which for that year was capable of being lawfully applied by the company to the payment of a dividend." But, while on some of these statements, the "net" profit is shown as the revenue from operations without deduction of interest or income tax, these two items of outgoings are clearly set out on the same sheet and are deducted from the total revenue, that is, the revenue from operations and from outside investments. And it must be borne in mind that income tax is payable on all the company's profits, those made from outside investments as well as from operations. Hence the necessity in which the auditors were to set out the particulars as they did. In any event, the figures on the sheets are self-explanatory and nobody reading them can make any mistake as to what is intended to be shown.

The following is a résumé of the condition, which, from the evidence furnished, I find to exist in the various sections of the industry.

Artificial Silk

This section of the industry, which embraces only Canadian Celanese Limited and Courtaulds (Canada) Ltd., the only companies manufacturing exclusively artificial silk, is protected not only by tariffs, but by patents, international agreements and the inherent difficulties in the way of starting a new company in competition with those at present operating. These companies have enjoyed continuous prosperity and high profits. The other companies manufacturing artificial silk goods are included in the cotton, real silk and knitting sections.

Cotton

One company, Dominion Textile Company, Ltd., is outstanding in this section, its sales in 1935 being in excess of the total of the three next largest companies. Further, this company owns a controlling interest in the third largest company, Montreal Cottons Ltd., having the same managing director, same president, sharing several directors and acting as sales agent for that company.

The cotton section has not shown consistent results, but has made high profits at times and some individual companies have shown operating losses in some years. The return on investment has often been very high and expansion through ploughing in profits has been common. The companies as a whole cannot be said to have suffered any great adversity. Bond interest has been met in every case, and dividends on preferred shares have been paid regularly by practically all companies.

Real Silk

The four or five companies which are dominant in this section have made good profits throughout the period, and at times this section has made very high profits. For the ten-year period from 1926 to 1935 inclusive, the Commission auditors show a "net profit from operations to capital employed" of 8·8 per cent. Mr. Kellock contends that the profits actually made by the companies are best arrived at by taking in each case the "net profit (according to his use of that term) as a percentage of the shareholders' equity," and on this basis he shows an annual average for the period of 7·6 per cent.

Wool

Although one company, Dominion Woollens & Worsteds Ltd., is larger, on the basis of sales in 1935, than any two other companies, there is no one company or small group of companies, which dominates this section, and in addition, the companies do not all produce the same lines. Some companies (including two also manufacturing paper makers' felts) have made good profits, some making what may be called a very high rate of return. Others, including Dominion Woollens & Worsteds Ltd., have done badly. This last named company is the only large company in the whole textile industry which has made losses serious enough to cause an arrangement with bondholders and a writing down of capital, as has been stated more fully on a previous page. However, a statement by the president, which appeared in the *Financial Post* of October 23, 1937, indicates that the profits (before depreciation and bond interest are charged) for the year to June 1937 were about twice those for the previous year, and that the bond interest was well covered.

Knit Goods

A large number of companies are contained in this section, one, Penmans Ltd., is much larger than any other, but about a dozen companies are of substantial size. Notwithstanding the facts already related regarding the capital structure of Penmans Ltd., Mr. Kellock's own figures of the returns of this company's operations during the depression years, on the basis of "net profit as a percentage of the shareholders' equity" show that profits fell below 5 per cent in only two of these years, the lowest figure being 2·7 per cent in 1931. Although individual investors in these companies have in the past done very well indeed, the present return on total capital invested does not appear to be unduly high.

Hosiery

About twenty-five companies are engaged in this section. One company, Julius Kayser & Co. Ltd., is outstandingly the largest producer, but there are nine or ten other large companies. As a whole this section has made high profits;

it has also been able to establish an export trade of considerable importance, that is, of about 15 per cent of its production. Referring to this section of the industry, Mr. Kellock says:

"That is, the successful mills represented in the Commission Auditor's sample earned net profits on shareholders' equity in 1926 of 11.6 per cent, in 1927 of 14.8 per cent, in 1928 of 13.6 per cent and in 1929 of 13.2 per cent. It is submitted that these are not undue returns for manufacturing enterprises of this nature. In 1930 the net profits dropped to 6.4 per cent and were 7.0 per cent in 1931, 5.8 per cent in 1932, 6.6 per cent in 1933, 7.8 per cent in 1934 and 8.4 per cent in 1935. It will be noted that following the increase in the hosiery tariff of 1930 the net profits earned on shareholders' equity were only approximately half of what they were in the 1926 to 1929 period."

Carpets

This section made good profits before the depression. The tariff protection is high and the total capital and labour employed is not very large. The depression struck the industry severely, as its products are of the class of furniture, in which class purchases are more readily deferred in hard times.

Thread

Three companies only are engaged in this section, and the volume of business is low, compared with other sections of the industry. The rate of return on capital employed for this section as a whole is high.

Before leaving this subject, I may point out, as suggested by Mr. Kellock, that during the period of 1923 to 1935 a number of textile companies went out of business. According to an exhibit prepared for the Commission, 248 mills of various kinds—cotton, hosiery, woollen, knit goods, silk and others, with a capital of \$39,416,000 commenced operations, whereas 126 mills with a capital of \$11,474,000 either ceased operations or were taken over by other companies. This evidence goes to support the assertion that many investments in the textile industry have proved disappointing. But on the other hand, it is, of course, necessary to consider that a Customs Tariff cannot be based on the hypothesis of keeping all manufacturers who commence operations in a state of prosperity regardless of their own ability to succeed. Whatever the conditions of an industry, there will invariably be firms which for one reason or another fail to progress as well as their competitors.

On the whole, the record shows that the textile industry in Canada has fared well. This industry came through the depression period in a manner which many other industries might envy.

I have already said something about the inflation often given to the capital structure of companies by means of so-called "goodwill" charges and the making of appraisals upon re-organization or on the occasion of new issues of stock and have given some examples of cases where these practices were followed. In some cases, these companies have succeeded, despite the inflation, in making profits out of their operations. This would tend to show that in those instances they could, on a proper capitalization, have prospered with less tariff protection than they have received, and that the consumer has been called upon to pay more than ought fairly to have been asked of him. In other cases, the companies have come to grief, and the loss has been borne by those who invested their money on the faith of a capitalization which turned out to be unsound.

Looking to the future, the question arises whether anything may reasonably be done to prevent the organization and the flotation of undertakings which are dangerous, in these respects, from the point of view of the investor, and which furnish, as time goes on, plausible but basically false claims for the maintenance or adoption of unnecessarily high tariffs. The problem is made difficult of solution by the fact that we have in Canada companies incorporated by the authority of Parliament and others by that of Provincial Legislatures. In some provinces investment boards, (by various names), have been created for the protection of the

investing public. Having in mind both the investor and the consumer of manufactured goods, (especially of tariff-protected manufactured goods), I suggest that the question of the efficient, comprehensive supervision of these company incorporations is well worth the attention, and possibly the co-operation, of both Dominion and Provincial authorities.

And now a word about the profits of the textile manufacturing companies. Some evidence was offered, and some argument took place, as to the reliability of the statements made by certain companies in respect to their annual profits. It was asserted that by means in some cases of secret inventory reserves, and, in other cases, of improper charges to operations for depreciation, betterments, etc., the true profits were hidden away and not accounted for, for instance, to the income tax authorities. After hearing what was said on this subject, I concluded that the evidence necessitated further action, and I referred the matters in question to the income tax office. I cannot say any more on this aspect of the subject at present because I know that that office is taking all proper steps to ensure the payments to it of all monies justly due, and I have no comment to make while proceedings are pending.

The matter is one, though, which must not be put aside finally. The whole question of company accounting, and of the necessity of providing against possible manipulation in such accounting, demands attention as a result of the evidence to which I have referred. The textile industry is one which is engaged in the production of tariff-protected goods. It is, as has already been said, an industry for the establishment and the development of which the community has consented to tax itself. Speaking at least of such an industry, I must say that I cannot at all agree with the suggestions of secrecy which have been put forward. In my opinion Parliament which provides the tariff has the right, I may venture, I think, to say the duty, to see to it that true facts are made known as often as necessary and practicable, concerning, among other things, the profits made by those who operate under the protection of the tariff. It should be made sure that governments, when approached for tariff changes, will always have reliable figures presented to them, that consumers, (who pay all the manufacturers' taxes in any case because they are all passed on to them in the price of the manufactured goods), should know what is going on, and that shareholders should be furnished with annual statements sufficiently clear and detailed to enable them to form a fair opinion of the value of their shares. Even under the amendments made to the Companies Act in 1934, presumably with this end in view, some of the balance sheets shown me are still quite deficient. They are reduced to the smallest possible compass, and their references to inventories and reserves are of practically no value. Reserves in themselves are not necessarily illegitimate; they may be of use and value, but they should not be kept secret from those entitled to know of them, for instance, shareholders and taxing officials.

The question of costs of production is probably more incapable of satisfactory solution than any of the others raised by the Order in Council. One of the reasons for putting forward this question is that, if susceptible of positive findings, it would assist in the determination of the position of Canadian manufacturers in respect to those of other competing countries. Even if an accurate report on Canadian costs could be made, the problem from a comparative point of view would still be unsolved on account of consideration which would have to be given to many things incapable of mathematical computation, such as the organization of the capital market, the relation of domestic to foreign trade, the condition of life to which workers are used, the social services and amenities, etc.

Leaving the element of comparison to one side and looking merely at the question of determining the cost of production in Canada, I find that even here our manufacturers have not the advantage of accounting system or systems (and it is doubtful whether any such exist) which can reduce costs to a certainty.

Although a good system of accounts would enable a reliable statement to be made as to the costs of all the operations of a company, there seems to be no way in which accuracy as to costs for individual lines of production can be arrived at in the textile industry. According to the best information I have been able to procure, the use of the term "Cost Accounting" has apparently led to a widespread belief that accurate total costs per unit of production can be determined, and some attempt has been made at furnishing such figures. But, except in the very limited number of industries in which companies produce only one product, the chief use of Cost Accounting appears to be as an aid to industrial management.

As to a more detailed examination of the facts relating to different companies, I find that I cannot do better than to adopt and to quote the remarks made on the subject by Mr. McRuer in his factum, beginning at page 247. The Mr. Howson referred to in this quotation is the member of the firm of the Commission auditors who gave evidence on the facts in question.

"It is submitted that the evidence shows that very few of the companies reporting to the Commission keep such records as will enable them to state with reasonable accuracy what their cost of production is for any particular fabric.

"Mr. Howson, in the questionnaire sent out to all the textile mills, had a specific form designed to get from the mills information as to the cost of production. (See Sheets 14A, 14B—14A for the textile companies and 14B for the hosiery and knitting companies—page 12912.)

"The Dominion Textile Company, Limited could not give complete information, and had no means of doing so. It was not able to tie up its standard costs with their actual operating costs. (Pages 12912 and 12913.)

"Canadian Cottons Limited had what was called standard costs, but it was not able to give any information at all because it did not make any attempt to reconcile standard costs with actual costs, and it was not able to give any information as required in the questionnaire.

"Montreal Cottons Limited was practically in the same position.

"In many companies charges for repairs and betterments were charged to profits in one year but for the purpose of costing spread over a period of years. Charges for depreciation in the costs did not relate to depreciation put through from year to year. (Page 12923.)

"Mr. Howson was unable to reconcile the information contained on the cost sheets for different fabrics filed with the Commission with the manufacturing costs of the companies (pages 12923 and 12924), notwithstanding the fact that the companies had endeavoured to assist him to do so and had given every co-operation that they possibly could. (Page 12924.)

"The return of Canadian Cottons Limited to the Commission, in respect to costs, was a blank. There was no possibility of doing anything with Canadian Cottons Limited. (Page 12924.)

"The Montreal Cottons Limited did not make a return at all. (Page 12924.)

"Penmans Limited made a very complete return, but it was subject to wide variations from year to year. (Page 12924.)

"Mr. Howson made a summary for the period from 1926 to 1935 in regard to standard costs and actual costs of Penmans Limited. In some cases the net profit, on the basis of the standard costs, would be greatly in excess of the net profit on the actual cost basis, and in some cases less. The following statement is a comparison of the net profit on the bases of standard cost and actual cost for this ten-year period.

Year	Net Profit on Basis of Standard Cost	Net Profit on Basis of Actual Cost
1926.. . . .	\$ 857,184.54	\$668,758.46
1927.. . . .	1,198,080.96	767,869.77
1928.. . . .	1,126,621.32	689,061.78
1929.. . . .	1,090,612.95	597,413.95
1930.. . . .	566,446.94	332,716.91
1931.. . . .	388,472.96	315,817.48
1932.. . . .	152,047.86	290,113.70
1933.. . . .	247,278.07	455,624.27
1934.. . . .	547,666.44	471,447.64
1935.. . . .	440,834.17	419,526.68

(Page 12936)

"In a letter to Mr. Howson, dated the 8th October, 1936 (Exhibit 968), Penmans Limited stated:—

"The 'Cost per Unit' is our Standard or Normal Cost. It is to be definitely understood that the Cost per Unit as shown has no definite relationship to 'Selling Price per Unit.' Our Standard Costs are used for transferring merchandise from one account to another, pricing inventories, and a basis for determining manufacturing losses or gains. Such costs are not used for price setting." (Page 12938.)

"The records of Associated Textiles of Canada Limited were sufficiently complete for Mr. Howson to compare the standard costs submitted as their costs of production with the actual manufacturing costs. Associated Textiles of Canada Limited filed with the Commission certain fabrics, together with cost sheets which were stated to show the cost of production. It, however, appears that the costs of production are much lower than the costs shown on these cost sheets. (See evidence of Mr. Howson, page 12943.)

"On the basis of Company's cost sheets in 1935, the Company showed a loss on operations of \$69,000. As a matter of fact, the profit for the year was \$140,444, the difference being a gain in the amounts charged to the costs sheets for material, labour and overhead expenses as against the actual cost of these items. The gain was as follows:—

Material.. . . .	\$ 73,740
Labour.. . . .	67,066
Overhead Expense.. . . .	68,592
	<hr/>
	\$209,398

"From these figures it is quite clear that individual costs prepared on the basis used in the cost system, would be substantially higher than the actual costs of production.

"As to the costs, Mr. Cameron of Canadian Celanese Limited, stated (page 10669):—

'We are running the factory as a unit to-day. In any allocation of costs that you get, you might bear in mind that it is a bit of guessing in a factory that is run as a whole unit, which starts as a chemical factory, yarn producing factory, fabrication and dyeing and finishing, and it is all in one unit and labour distribution, where it goes to, is very difficult.'

"The evidence illustrates the difficulty of relating to tariff protection costs of production, as shown by the records of the companies engaged in the industry."

For a further study of this question of costs and of international cost comparisons, I may refer to a chapter in the report of the International Labour Office intituled World Textile Industry (Geneva 1937) beginning at page 203.

CHAPTER VII

SALARIES AND BONUSES

The Order in Council asks for information with respect to salaries and bonuses paid in the industry. The necessary information has been received from the fifty largest of the one hundred and fifty reporting companies. The figures for all these large companies and the totals by sections of the industry of which they form part are as follows, for the years indicated:—

OFFICE, MANAGEMENT AND SALES SALARIES

Year	COTTON		ARTIFICIAL SILK		REAL SILK	
	No. of Firms	\$	No. of Firms	\$	No. of Firms	\$
1930.....	8	939,381	2	223,158	6	529,667
1931.....	8	877,888	2	235,812	6	595,252
1932.....	8	828,782	2	254,955	6	576,443
1933.....	8	787,445	2	256,282	6	547,372
1934.....	8	837,884	2	297,976	7	597,805
1935.....	8	897,113	2	310,324	7	615,014
	WOOLLEN		KNIT GOODS		HOSIERY	
	No. of Firms	\$	No. of Firms	\$	No. of Firms	\$
1930.....	9	236,716	10	558,028*	2	17,000
1931.....	9	224,236	10	340,132	5	64,723
1932.....	10	305,421	10	352,173	5	59,973
1933.....	10	274,794	10	367,175	6	106,259
1934.....	10	284,521	10	402,079	5	114,006
1935.....	10	295,280	12	566,024*	5	116,315

* Two Companies reported only in 1930 and 1935.

	CARPETS		PAPER MAKERS' FELTS		THREAD	
	No. of Firms	\$	No. of Firms	\$	No. of Firms	\$
1930.....	3	253,900	1	66,016	1	64,470
1931.....	3	227,574	2	152,733	1	68,267
1932.....	3	202,894	2	154,292	1	53,466
1933.....	3	176,170	2	140,063	1	50,410
1934.....	3	190,979	2	138,601	1	50,843
1935.....	3	198,048	2	141,035	1	43,393

ALL DIVISIONS

Year	No. of Firms	\$
1930.....	42.....	2,888,336
1931.....	46.....	2,786,617
1932.....	47.....	2,788,399
1933.....	48.....	2,705,970
1934.....	48.....	2,914,694
1935.....	50.....	3,179,546

The table below shows the salaries paid during a period of years to the principal officials in the companies paying the highest salaries in the several divisions:—

SALARY, BONUS AND OTHER CONSIDERATION

Fiscal year ended in													
	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
DOMINION TEXTILE Co. LTD.—													
President (a).....			25,000	25,000	25,000	25,000	25,000	22,500	20,000	22,312	21,675	21,675	
Former Managing Director (b).....			50,000	50,000	50,000	50,000	50,000	42,500	35,000	39,112			
Present Managing Director.....				5,600	6,700	7,700	7,700	8,530	8,225	10,537	12,240	12,240	
Sales Manager.....			17,250	17,250	17,250	17,250	17,250	16,937	15,625	15,395	15,953	17,953	
Manager Converting Plants.....			10,000	10,000	12,000	12,000	12,000	13,000	12,500	11,847	12,740	14,260	
General Superintendent—Cotton Mills.....			11,000	11,000	11,000	12,000	12,668	13,000	12,750	12,009	12,240	12,240	
Mechanical Superintendent.....			8,450	8,450	8,450	9,450	9,450	12,837	9,725	12,500	13,240	13,240	
NOTE.—In certain cases the amounts given above include payments from subsidiary companies.													
(a)—Chairman of the Board 1929 to 1933.													
(b)—Also President 1929 to 1934 (part).													
MONTREAL COTTONS LTD.—													
President*.....		5,220	5,220	5,220	5,220		5,000	5,000					
Former Managing Director.....							10,000†	10,000†	7,000†	6,000†	6,000†		
Former General Manager.....		26,000	26,000	26,000	26,000	22,666			11,100	10,800	10,800		
Present General Manager.....					12,500	12,500	12,500	12,500	11,562	8,437			
Sales Manager.....		11,400	11,400	13,791									
* Also officers of Dominion Textile Co. Ltd. Amounts are not included in table for Dominion Textile Co. Ltd.													
† Retiring Allowance.													
CANADIAN COTTONS LTD.—													
President and Managing Director.....	25,000	26,500	25,500	32,000	22,000	25,500	28,500	28,500	23,625	29,015	29,150		
General Manager.....	8,400	8,400	9,600	10,000	12,000	12,000	12,500	12,500	12,375	15,765	16,650		
Assistant General Manager.....	9,000	9,500	9,000	9,000	9,500	9,000	9,500	9,500	8,325	8,900	9,000		
WABASSO COTTON Co. LTD.—													
President.....						31,800	26,800	23,529	23,530	23,530	21,030		
Former General Manager.....						12,720	12,720	7,748	8,170	8,450	10,160		
Managing Director.....							12,110	8,060					

NOTE.—Where no amounts are shown no payments were reported due either to the absence of records or to the payments being less than \$5,000.

SALARY, BONUS AND OTHER CONSIDERATION—Continued

	Fiscal year ended in										
	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
BELDING CORPCELLI LTD.—											
President*						5,220	5,013				5,220
Former General Manager.....		12,796	14,278	18,240	18,116	17,787					
Vice President and Managing Director.....		9,339	11,943	13,265	12,828	11,981	10,700	13,400	11,775	12,000	13,200
BRUCK SIXX MILLS LTD.—											
President.....					7,554	7,840	7,800	7,827	8,827	5,500	
Vice President and General Manager.....										8,827	10,327
GROUT'S LTD.—											
Managing Director†.....		13,455	17,943	25,053	23,629	9,864	22,836	7,596	9,029	11,163	16,824
Secretary-Treasurer.....			5,238	6,660	6,375	5,586	6,217	5,451	5,406	8,298	10,429
CANADIAN CELANESE LTD.—											
President.....				10,060	10,060	10,160	10,990	11,280	11,280	19,115	19,200
Vice President.....				9,928	20,000	22,500	25,083	27,500	27,500	27,500	35,023
Chairman of the Board.....				10,060	10,060	10,240	10,970	11,240	11,220	16,635	16,760
Director.....				10,040	10,040	10,040	10,850	11,080	11,100	16,535	16,560
Manager.....				15,314	10,160	10,160	10,850	11,220	11,280	11,655	11,760
Official H.....				15,000	16,500	17,500	17,500	17,500	18,000	18,050	19,050
				8,833	11,500	12,800	11,500	16,000	16,000	17,050	18,050
COURTAULDS (CANADA) LTD.—											
President.....				9,817	5,661		5,050	5,182	6,498	12,626	9,862
General Manager.....		5,850	7,000	9,704	10,165	10,449	11,512	11,545	11,874	14,406	13,715
Sales Manager.....					12,539	12,916	13,384	13,215	12,374	14,906	14,215
Secretary-Treasurer.....				5,400	7,932	8,259	9,310	9,336	9,874	12,406	11,715
JULIUS KAYSER & Co. LTD.—								10,800	9,720	9,720	9,720
Manager.....										12,000	12,000
Sales Manager.....											
SUPERSILK HOSIERY MILLS LTD.—							8,750	8,000	10,000	10,000	10,000
President.....†											
AYERS LTD.—											
President.....							36,000	36,000	22,666	20,000	20,000
Secretary-Treasurer.....							9,500	10,000	10,000	10,000	10,000
Felts Sales Manager.....							6,526	8,000	8,000	8,000	8,000

*Also President of Canadian Cottons Ltd.

†Amounts in certain years include payments from subsidiary company.

[illegible]

* Also President of Woods Underwear Co. Ltd.

NOTE.—Where no amounts are shown no payments were reported due either to the absence of records or to the payments being less than \$5,000.

SALARY, BONUS AND OTHER CONSIDERATION—Concluded

	Fiscal year ended in											
	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
MONARCH KNITTING Co. LTD.— President and General Manager..... Treasurer.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
		10,500 5,000	15,500 5,500	15,500 6,000	15,500 6,500	13,500 5,333	12,000 5,000	12,000 5,000	12,000 5,000	14,500 6,000	14,500 6,000	
PENMANS LTD.†— Former General Manager..... Present General Manager..... Secretary-Treasurer.....		20,000 12,500 10,000				26,750 14,700 11,300						18,000 9,000
J. R. MOODIE Co. LTD.†— President and Managing Director..... Treasurer..... Sales Manager.....				16,800 16,800 16,800		18,000 18,000 18,000						14,600 14,600 14,600
JOSEPH SIMPSON & SONS LTD.— Chairman of the Board..... President..... Vice-President and General Manager.....								2,500 10,500 17,500	26,000 16,000 21,500	31,000 16,000 21,500	31,000 16,000 21,500	
		6,000 13,500	6,000 13,500	5,800 13,050	6,000 13,500	6,000 13,500	6,000 13,500					
EATON KNITTING Co. LTD.— Superintendent..... Official A..... Official B.....		21,000 28,425 14,840	22,728 28,600 16,568	24,265 28,600 17,620	26,012 28,600 18,333	27,080 28,600 19,400	26,480 28,600 19,020	20,349 28,600 14,368	15,560 19,200 10,880	17,310 18,200 11,962	18,370 8,750 12,000	

† In the case of Penmans Ltd. and J. R. Moodie Co. Ltd. payments were reported only for three years.

NOTE.—Where no amounts are shown no payments were reported due either to the absence of records or to the payments being less than \$5,000.

Full particulars setting out all salaries paid in these companies will be found in the questionnaire and answers thereto filed in each case.

Respecting bonuses; so far as the evidence goes to show, there have been very few of these paid in the case of textile companies. The largest bonuses I have been given knowledge of were two paid by the Dominion Textile Company in 1921. One of these was a bonus of \$35,000 paid to its president for services rendered by him to the Company in the four years, 1918 to 1921, and the other was a bonus of \$7,000 paid at the same time and for services during the same period to its vice-president.

In the case of the Associated Textiles of Canada Ltd. of Louiseville, Quebec, I found that bonuses have been paid since 1931 to various officers and officials of the company. These bonus payments amounted to \$44,540 for the period 1931 to 1935.

CHAPTER VIII

TRADE ASSOCIATIONS, COMBINATION AND MONOPOLY

The textile industry is organized in three trade associations, the Canadian Woollen and Knit Goods Manufacturers Association, the Cotton Institute of Canada and the Silk Association of Canada; these three associations are united in a federation called the Primary Textiles Institute. After a brief description of the general character of these associations attention will be directed to their two main activities, the promotion of tariff protection and the regulation of competition among their members.

The Canadian Woollen and Knit Goods Manufacturers Association has been in operation for about 18 years. The Association is divided into twelve sections, viz.: Blankets, Carpets, Woollen Cloth, Worsted Cloth, Felt, Fine Hosiery, Heavy Hosiery, Knitted Outerwear, Men's Underwear, Ladies' Underwear, Yarns, Dyeing, Finishing and Processing. Its membership includes 70 firms controlling about 90 per cent of the production. The objects of the Association are stated in Article 2 of its constitution:—

"The object of this Association is to promote by every legitimate means the welfare of the manufacturers embraced within its membership and of the Woollen and Knitting Industry in general. Amongst other means, the following specific methods may be mentioned:—

"(a) The promotion of legislation calculated to encourage the manufacture of all classes of woollen and knit goods within the Dominion.

"(b) The prevention of legislation adversely affecting the interests of the industry.

"(c) The collection of statistics and data covering cost of production of wool in Canada and other countries; productive capacity of mills in Canada; wages paid, capital invested and all such similar information as may be considered valuable; the collection of such information as may be obtained relative to the above conditions in countries other than Canada.

"(d) Encouragement of sheep breeding for the purpose of increasing the production of wool in Canada.

"(e) Encouragement of technical education in Canada, more particularly as it relates to the different processes involved in the conversion of wool into finished material.

"(f) Encouragement of the diffusion of technical knowledge amongst the members and their employees by means of lectures and the publication of special papers provided by authorities on different subjects.

"(g) Promotion of export business.

"(h) Reconciliation of the interests of the different branches of the industry and the promotion of harmony between them, by which means all energies of the members may be devoted to the common benefit.

"(i) Promotion and establishment of more friendly relations between the different manufacturers.

The Silk Association of Canada was reorganized in 1929, having then been in operation for about three years. The organization following closely the lines of the Canadian Woollen and Knit Goods Manufacturers Association, and it was arranged that the Secretary of the "Woollen" association should also act as Secretary of the "Silk" association. The fees collected from its members were turned over to the Woollen Association which in return provided secretarial and stenographic assistance, office space, printing, etc. A joint Committee of the two associations administered their joint finances. The Silk Association is divided into five sections: Broad Silk, Dyeing, Full Fashioned Hosiery, Labels, Throwsters. Neither Courtaulds (Canada) Ltd., nor Canadian Celanese Ltd., are members of the Association; other than these there are very few firms that are not members. The objects of the Association are stated in Article 3 of its constitution:

"The promotion and maintenance of the Silk and Rayon industry of Canada, in all its branches, by concerted and harmonious action, and by the interchange of ideas, and all

other proper means. The elimination of unlawful and unfair practices; maintenance of fair and uniform customs and usages; the compilation of information concerning the Silk and Rayon industry, and co-operation with the Government in enforcing laws relative to the trade and in fixing rates of duty for customs tariff."

The Cotton Institute of Canada was organized in 1933. Like the Silk Association, the Cotton Institute appointed the Secretary of the Woollen Association as its secretary and the offices of that Association as its offices. The membership of the Cotton Institute embraces the whole cotton weaving trade. Its objects are stated in Article 2 of the constitution:—

"The object for which this organization is formed is to create a definite body to protect and further the interests of the manufacturers of cotton yarns and cotton cloth in Canada with particular reference to:

"(a) The representation of the industry as a unit in dealing with matters affecting the industry.

"(b) The enhancement of the industry in the estimation of the people of Canada."

The Primary Textiles Institute was organized in 1934 as a more formal federation of the three textile associations which already had a common secretary, a common office and a joint committee for regulating the finances of that office. The membership of the Primary Textiles Institute consists of six members, the President and Vice-president (or two other members appointed for the purpose) from each of the three constituent associations. The objects of the Institute are stated in Article 3 of the constitution:

"The promotion and maintenance of the interests of the primary textile industries in Canada—Wool, Silk, Cotton, Rayon, in all their branches, by concerted and harmonious action and by the interchange of ideas, and by all other proper means."

The offices of the Primary Textiles Institute are at 80 Richmond Street West, Toronto, and at 485 McGill Street, Montreal. The active work of the association is performed by Mr. Douglas Hallam, as Secretary, and Mr. W. M. Berry as Assistant-Secretary.

Many of the manufacturers in the textile industry belong also to the Canadian Manufacturers Association.

The Primary Textiles Institute and the confederated associations, like most trade associations in this country and in other countries where there is a protective tariff, is concerned to secure and to preserve for its members the greatest possible measure of protection. In Chapter I, I have referred to their activities on the question of Japanese competition in artificial silk. They watch the administration of the tariff laws. They prepare briefs for presentation to the Tariff Board and represent the industry in hearings before that Board. Exhibits 455, 496 and 497 are briefs which they presented to the Government in August, 1930, with a view to securing tariff increases. In addition to the corporate action of the Institute, similar action is undertaken by individual manufacturers on their own initiative. An examination of Exhibit 499, which contains correspondence between the Canadian Cottons, Limited and the Minister of National Revenue, reveals that on November 14, 1931, this company proposed certain fixed valuations for the five main types of fabrics which were covered by Appraisers' Bulletin No. 3789 on December 12 of the same year. In a letter dated November 17, 1931, contained in the same exhibit, Dr. A. O. Dawson, president of the company wrote:

"It therefore appears evident that the Government is doing the Canadian consumer a real service when the way is made difficult for the importer of foreign textiles."

This belief that the interests of the consumer may be safely entrusted to the care of Canadian manufacturers was reflected in the evidence of several officials of textile manufacturers. Mr. J. G. Dodd of the Dominion Textile Company and Paton Manufacturing Company said in regard to the activities of the various textile associations that "the consumer was in excellent hands."

In spite of the higher tariffs of 1930 and 1931 and the various administrative measures adopted for the valuation of currencies and of certain lines of textiles, the Canadian manufacturers did not cease pressing for even more

drastic policies. In a letter dated March 26, 1932, addressed to the Minister of Trade and Commerce, the president of Canadian Cottons Limited, suggested that to protect the Canadian manufacturer it is necessary "to have a fixed value for duty purposes placed on all standard lines, this value to be not less than the cost of similar goods made in our Canadian mills and factories." But the writer appeared to think that one could both have his cake and eat it, for he went on to say that "if legislation were enacted along the lines suggested the revenue of the Government could be tremendously increased and the Canadian mills would no longer be subject to what everyone must admit is most unfair competition."

The best way of dealing with the difficulties which these activities may create seems to be that of publicity; publicity as to the source of the propaganda and as to the activities of the propagandist, and publicity as to the affairs of protected industries so that there may be some chance of checking misrepresentation and exaggeration. This is in line with what I say at the end of my remarks on investments and profits in Chapter VI. Some evidence was given of attempts by certain companies to exercise undue pressure upon their employees in times of elections by the circulation among them of written propaganda of an unjustifiable character. It must be pointed out, however, that in these cases the Primary Textiles Institute was not implicated.

A great deal of evidence both oral and written was adduced showing the activities of the Primary Textiles Institute in attempting to regulate, or restrict, competition among its members. These activities may be classified under three general heads; (a) the exchange of statistics of production, deliveries, stock on hand, machinery installed, etc. so that in the words of the Secretary of the Institute, "any group will have a real background against which to operate"; (b) the arrangement of agreements as to prices; (c) the definition of "fair trade" practices and the arrangement of agreements to maintain such practices.

The evidence seems to indicate that these activities were inspired by the difficulties of the depression. They were not successful, and for the most part they seem now to have been discontinued. Nevertheless, in view of a possible recurrence of these activities, it is well, I think, to devote some time to discussing them. Publicity provides a valuable check on the development of monopoly especially in an industry which is looking to the public for approval of tariff favours.

The full fashioned hosiery section of the Silk Association of Canada developed its technique of regulation of prices and competitive practices over a period of six years. In October, 1930, the Silk Association began to collect weekly returns from the manufacturers of full fashioned hosiery showing the lowest prices, and the terms, at which the order had been accepted, for branded and unbranded merchandise during the preceding week. The prices were tabulated, without the identity of the mills being revealed, and sent out to all the reporting mills. This practice appears to have continued till March, 1932, when a more effective regulation was arranged. Out of the 22 manufacturers of full fashioned hosiery, 17 appear to have entered into a definite agreement for the maintenance of minimum prices. The method followed was for a committee to meet and determine the prices which should be fixed and for each company to send a form letter to Mr. Douglas Hallam, a sample of which is given below, stating its intention to sell at these prices. The form of this letter suggests that they were operating a typical "open price" agreement, an agreement to notify the trade of intended price changes, but in fact the evidence makes it clear that these letters were the means by which the prices arranged at the meetings of the committee were communicated to the trade as a whole, and by which the members signified their acceptance of the agreed schedule.

The following is a sample of the form letters referred to, as set out in Exhibit 568:—

"Owing to the fact that misrepresentations are being made as to prices at which full fashioned hosiery is being sold by mills, and the terms under which it is sold, with the result that the entire industry is being demoralized, we are giving you the lowest prices at which we sell certain specified goods to anybody in Canada under any circumstances. We have no objection to your disclosing these prices to other hosiery manufacturers. We give no undertaking not to decrease or increase these prices as the raw material and labour costs vary, but do undertake to notify you on the day we make such changes so that your information will always be correct and up-to-date as regards our mill.

"Weight of thread based on 13/15 denier weight.

"(1) Our lowest price for full fashioned first quality silk hose, silk thread, cotton top and foot, is not less than \$6.15, tax extra, no discount, F.O.B. Mill, net thirty days, any packing.

"(2) Our lowest price for full fashioned first quality silk hose any construction other than six thread cotton top and foot, is not less than \$6.35, tax extra, no discount, F.O.B. Mill, net thirty days, any packing.

"(3) Our prices from stock in the west are not less than:—

	F.O.B. Mill	Winnipeg Stock	Vancouver Stock
Six thread.. . . .	\$6.15	\$6.40	\$6.45
Other.. . . .	6.35	6.60	6.65

All net thirty days, tax extra.

"(4) On discontinued lines of the above, or any other higher priced number, if we sell them for less than the prices quoted, we mark 'Discontinued' and the mark is applied to the foot of each stocking in letters not less than one-quarter inch in height.

"(5) All our full fashioned stockings which are not sold as first class are marked on the foot of each stocking with one of the following words in full: "Sub-standards," "Imperfect," "Irregular" or "Seconds."

In March, 1933, the form of the above letter was slightly changed, the manufacturers agreeing to give fifteen days' notice before any change in price. In July, 1934, the agreement was again revised with a view to closing a number of avenues of evasion; a definition of branded and unbranded was included; the parties agreed to give no commissions, bonuses, rebates, extra goods not invoiced, unearned discounts, advertising allowances, etc.; and in order to insure the observance of these agreements the parties agreed to permit the Secretary of the Silk Association, or a firm of chartered accountants employed by him, to have access to all the records of their full fashioned hosiery business; all discontinued lines were to be stamped and only sold as such after obtaining permission from a committee of the trade and at prices stated in that permit. In July, 1935, an attempt was made to strengthen the agreement by requiring each manufacturer to deposit \$1,000 as a guarantee of his good faith. An attempt to revise the agreed prices in July, 1935, apparently failed, and another agreement which was made in the fall of 1935 was cancelled because too few members were prepared to sign it. It appears, however, from the evidence of Messrs. Cook and Thompson, as reported at pages 11213 to 11350, that some form of agreement was in force in May, 1936. None of these agreements covered all the lines of full fashioned hosiery, they were apparently limited to the "sales and low end lines." The number of firms adhering to these agreements varied from eleven to twenty. Counsel for the Primary Textiles Institute has argued that the consumers were not injured by any undue enhancement of prices, for prices were falling and quality improving, the prices agreed on were unprofitable, and the agreements were not, in fact, enforced. But the intention of the agreements was to maintain higher prices than would otherwise have ruled.

In addition to the agreement between the manufacturers of full fashioned hosiery described above, agreements were found to exist in several other branches of the industry, some details of which are given below. In every case the intention to restrict competition is obvious and what has been said above about the full fashioned hosiery agreements applies.

Cotton Yarns

The four large companies which spin the bulk of the yarn sold in Canada, viz.: Dominion Textile Company, Limited, Wabasso Cotton Company Limited, Canadian Cottons Limited and the Hamilton Cotton Company Limited, have an agreement to charge uniform prices which goes back over thirty years. When examined, Mr. Dodd, sales manager of the Dominion Textile Company, described its working in the following manner as reported at pages 11163 and 11164:—

"Q. How is this agreement on yarn carried out? How did you get together on that?—A. The yarn agreement, sir, goes back a good many years, and I think the only way it is carried out is by following the raw cotton market.

"Q. Yes?—A. When some one of us—we all watch the market, of course, naturally, and know what our prices are. If cotton is jumping up very heavily or has accumulated over a period of time, well then, somebody says to the other 'Do you think we had better advance the price?'

"Q. Yes?—A. And if it is thought advisable, if the market has been sufficiently strong that we should advance we do; if not we don't.

"Q. Now, the agreement is that for yarn of the same count and same quality that you will each charge the customer the same price?—A. The same price, exactly."

Woollen and Worsted Cloth

It is clear from the evidence of Mr. Dodd that a number of the manufacturers of woollen and worsted cloth were parties to a price agreement covering blue serges, grey mixtures and piece dyed fancies. Mr. Dodd, who was sales manager of the Paton Manufacturing Company (as well as of the Dominion Textile Company) described the way in which this agreement was arrived at and is reported at page 10884 as follows:—

"Q. Apparently when you held these meetings of the mills in respect to arranging prices you met in Mr. Hallam's office?—A. Correct.

"Q. Did he act as secretary for the meetings?—A. He did at times but usually it was one of our own group who kept track of what we were deciding and then handed the message perhaps to Major Hallam or to one of his secretaries. There was no definite understanding on that, but it is just whatever happened.

"Q. That is the way it worked, at any rate, that after the prices had been arranged, then a memorandum of that would be handed to Mr. Hallam?—A. To Mr. Hallam in his office and sent out.

"Q. And where mills were found to be selling lower than these prices complaints were made to Mr. Hallam, were they not?—A. Exactly.

"Q. That was the arrangement, that he would follow up these complaints and see whether they were justified or not?—A. Right."

Further light is thrown on its working by a study of the correspondence included in Exhibit 1242. In a letter of December 8, 1932, Mr. Hallam wrote to members as follows:—

"Attached is a sheet showing what the mills consider would be fair prices to get for blue and grey serges of specified qualities. The sheet gives high, low and average. Please note the wide variations. This sheet is to form the basis of discussion at the meeting on Tuesday, December 13th."

Then on December 15, Mr. Hallam wrote to Hield Bros. as follows:—

"We have had two meetings of the worsted cloth mills and they are desirous of doing everything possible to stabilize conditions in Canada."

Included with this letter was the standard form letter by which members informed Mr. Hallam that they would not sell below certain prices.

"SUGGESTED DRAFT"

"Personal"

"DOUGLAS HALLAM,

"350 Bay Street, Toronto.

"DEAR SIR,—Owing to the fact that misrepresentations are being made as to the prices at which men's blue and grey serges are being sold, with the result that the industry is being demoralized, we are giving you the lowest prices at which we sell certain specified

goods to anybody in Canada under any circumstances. We have no objection to your disclosing these prices to other manufacturers of blue and grey serges. We give no undertaking not to decrease or increase these prices as the raw materials and labour costs vary, but do undertake to notify you in writing at least three days before we quote or sell below the lowest prices herein given to you, so that your information will always be correct and up-to-date as regards our mill.

"All prices F.O.B. mill. If contracts are quoted other than F.O.B. mill, freight will be added to price. The terms 2% ten days first following. There will be no use of rebates, bonuses, credit notes, etc., which will in effect reduce these prices. Weights given are in Canadian condition.

"(1) *Blue serge, any construction;*

"No cloth listed will be made wider than a maximum of 58 inches overall unsponged.

<i>Minimum</i>	20/19	19/18	18/17	17/16	16/15	15/14
Not over 60's.. . . .	1.75	1.65	1.50	1.47½	1.40	1.35
Not over 64's.. . . .	1.80	1.70	1.60	1.52½	1.45	1.40
64/70's & 70's.. . . .	1.90	1.80	1.70	1.62½	1.55	1.50

List Price

Not over 60's.. . . .	1.85	1.77½	1.67½	1.57½	1.50	1.45
Not over 64's.. . . .	1.90	1.82½	1.72½	1.62½	1.55	1.50
64/70's & 70's.. . . .	2.00	1.92½	1.82½	1.72½	1.65	1.60

"2. *Grey serge any construction:*

"No cloth listed will be made wider than a maximum of 56 inches overall unsponged.

"Before showing samples or quoting on any grey serge over 14/15 not listed, we will notify you as to price we are going to quote.

<i>Minimum</i>	18/17	17/16	16/15	15/14
58's (see note).. . . .	....	....	....	1.35
Not over 60's.. . . .	....	....	....	1.45
Not over 64's.. . . .	1.90	1.82½	1.70	1.50
64/70 or 70's.. . . .	2.00	....	....	....

List Price

58's (see note).. . . .	....	....	....	1.40
Not over 60's.. . . .	....	....	....	1.50
Not over 64's.. . . .	1.95	1.87½	1.75	1.55
64/70 or 70's.. . . .	2.05	....	....	....

"(Note re 58's: One of the mills has a grey serge below 60's. The understanding is that they will supplant this as quickly as possible with a better cloth.)

"We may quote and sell any purchaser at lower prices than the list prices, but not lower than the minimum prices listed.

"(3) At the end of each month we will report promptly to you all sales or allowances on seconds, with the mill number, yardage, customer's name and price. Also the same information as to any job lots.

"Yours truly,
"(Signature of the responsible head of the mill.)"

These manufacturers tried to extend the agreements to other lines of cloth but it was found that there was such diversity of construction of the cloths that a uniform price could not be arranged, but they each sent samples with their prices to the members of the group so that each would know what prices were being quoted on the various cloths. There is also evidence of arrangements between the Paton Manufacturing Company, Limited and Dominion Woollens and Worsteds Limited in respect to large contracts for blue serge uniforms for the trainmen of the Canadian National and Canadian Pacific Railways and the Fire and Police Departments of large cities. (Evidence of Mr. Dodd, pages 10871 *et seq.*)

Underwear (Women's and Children's)

There is evidence of an agreement between the manufacturers of women's and children's underwear, with respect to some of their lower priced lines, similar in form and organization to the full fashioned hosiery agreement. The working of this agreement is illustrated by the following extracts from the examination of Mr. Lundy (General Manager of Penmans Ltd.) by counsel for the Commission, given at pages 9722 to 9724:—

"Q. Now, I want to run over some documents contained in a file here that comes from your files. Here is a multigraphed circular on the letter head of the Canadian Woollen and Knit Goods Manufacturers Association dated April 24, 1933, and addressed to B. K. Gunn, Penmans Limited. It reads as follows:—

"DEAR SIR:

"LADIES UNDERWEAR, FALL 1933

"Owing to misrepresentations being made as to prices at which ladies' underwear is being offered or sold for fall 1933, with results demoralizing to the industry and to the detriment of employees, retailers and manufacturers, I am giving my understanding of your lowest prices on certain merchandises, together with the exceptions.

"I understand that no undertaking is made not to decrease or increase these prices as raw materials and labour costs vary, or to produce lower lines than indicated, but that you do undertake to notify me in writing of any changes you are making fifteen days before announcing any such changes, so that my information will always be correct and up to date as regards your mill.

ITEM A

Cotton vests,—ladies, standard, medium, large
Medium—weight 8 cut 2½ pounds; 10 cut 2½ pounds.
Cream shade—with plain tubular trim.
Cotton tape for 8 cut; on 10 cut tape optional.
Boxing optional:

	All sizes or Standard		Medium		Large			
No sleeve	\$	2.25	\$	2.00	\$	2.25	\$	2.50
Short sleeve		2.90		2.65		2.90		3.15
Long sleeve.....		50 cents over short sleeves.						
Rayon silk stripe 40 cents extra.								

Exceptions

Lennard 2 pounds, no sleeve for all sizes.....	\$	2.10
short sleeve		2.50

ITEM B

Cotton bloomers—ladies. Standard, medium, large.
Medium weight 8 cut 3½ pounds; 10 cut 3 pounds.
Cloth as vests under A.
Boxing optional:

All sizes or	Standard	Medium	Large
\$2.60	\$2.35	\$2.60	\$2.95

Rayon silk stripe 40 cents extra.

"And they go on and there is an item "C", prices all set out under item "B" in detail, and that is signed by Douglas Hallam."

Mr. Lundy was then examined on the correspondence leading to a revision of the price list in the summer of 1933, and is reported as follows at pages 9728 to 9730:

"Q. I show you a letter from Hallam marked "attention Mr. Lundy" dated June 19th, 1933.

"THE COMMISSIONER: This will be 711.

EXHIBIT No. 711: Letter dated June 19, 1933 to Lundy from Hallam.

Mr. McRUER: "Dear Sir: *Ladies Underwear Section* Attached is the proposed list of Spring 1934 cotton lines for the Ladies Underwear Section.

Note: The prices on this list are only given as a guide or basis to work on.

A meeting will be called about August 1st at which the mills are to bring samples and at which the prices will be discussed."

Now, Mr. Lundy, apparently this is sent out as a forerunner of a bulletin that would be arrived at as to the prices on which they were to agree?—A. They are suggestions.

"Q. Well, these are suggestions to begin with and then a meeting is to be called. Did you attend the meeting later that the mills attended for the purpose of discussing prices?—A. I cannot remember now, sir, that is three years ago.

"Q. You cannot possibly remember whether you ever attended any such meetings?—A. Oh, I may have attended meetings, but I don't know about this particular one, sir.

Q. Well, did you attend meetings at which prices were discussed and which were agreed upon and a bulletin sent out?—A. I have attended various meetings, sir.

"Q. Now again, would you mind answering my question. Did you attend meetings at which prices were discussed and agreed upon?—A. Certainly prices were discussed, sir.

"Q. And agreed upon?—A. With the limitation that is contained in this correspondence.

"Q. Well, we will just be precise on that; with the limitation that is contained— A. 15 days notice.

"Q. Yes, in the previous correspondence; you are referring to the notice to be given to Mr. Hallam?—A. Precisely.

"Q. And apparently that is how these bulletins were arrived at such as we have looked at in exhibit 710 and 709. A meeting would be called at which the representatives of the mills would attend; you would agree on the prices that were to go in the bulletin and the bulletin would be sent out afterwards?—A. That would be the effect, with the limitation I spoke of. I wish to point out, however, that there are very few names mentioned there in this previous correspondence.

"Q. Well— A. There are quite as many other manufacturers.

"Q. You mean there were certain manufacturers who were not attending at these meetings, and who were not agreeing to these prices?—A. They were not even consulted, I don't think.

"Q. They were not even consulted about it, yes; but, you must admit that Moodies, Penmans and Zimmerknit represent a very large amount of the knitting trade?—A. We make standard lines, sir, carrying trade marks."

One further sample of the correspondence between Mr. Lundy and Mr. Hallam may be cited from page 9736:—

"The attached memorandum was approved at the meeting of the Ladies' and Children's Underwear Section on August 16th.

"The situation with respect to more uniform wholesale lists and credit terms was thoroughly discussed.

"A special meeting on this subject will be held on Tuesday, September 11th, 1934, at 2 p.m. D.S.T. at this office.

"For this meeting it will be necessary for each member to know the volume of underwear business done with each of the customers on the lists already sent in.

"Will you please be prepared with this data on underwear for the last year.

"Kindly advise us that your firm will be represented at the meeting on September 11th."

Mr. Lundy gave evidence that these agreements were still in effect. (Evidence page 9734).

Children's Sleepers.

There is evidence that the manufacturers of these sleepers met to discuss prices, and to make agreements with respect to prices and that subsequently bulletins were sent from the Primary Textiles Institute to the manufacturers stating the agreed prices.

The following extracts from the correspondence contained in the exhibits illustrates the character of the agreement. Exhibit 708 is a letter from Mr. Hallam to H. W. Lundy, dated December 16th, 1935, and reads as follows:—

"Arrangements have been completed whereby Children's Fleece Lined Sleepers for Fall 1936 will be listed at the following prices:—

Sleeper is made on a basis of 5½ pounds, for size 5 and is sold in sizes 1 to 6 at the prices mentioned.

Plain Garment without pocket—5.70 per dozen.

Garment with pocket or with pocket and transfer in same—5.90 per dozen.

"These goods are as a rule, boxed ½ dozens, but if wanted papered in one dozens, no change in these prices is to be made."

Letter No. 6 in Exhibit 1238 from Mr. Hallam dated November 2nd, 1935, addressed to Mr. A. Dods, Dods Knitting Co. Limited, Orangeville, Ont., reads as follows:—

"A meeting of the manufacturers of children's fleece sleepers is being arranged on or about December 1st, to discuss fall prices for 1936. Have you any suggestions in regard to this matter. The other manufacturers inform me that present prices will remain in effect till the proposed meeting takes place."

Worsted Machine Yarn.

There is evidence that the spinners of yarn have met periodically to discuss prices and to make agreements with respect to prices and that subsequently

memoranda were sent out from the Primary Textiles Institute. (e.g. Exhibit 573). The spinners also reported to the Institute all contracts for the sale of yarn with the prices ruling.

Hand Knitting Yarn.

There is evidence of a price agreement between the spinners, administered by the Primary Textiles Institute. (Exhibit 587.) No details were elicited.

Towels.

There is evidence of an arrangement between the manufacturers of towels, whereby they work out their prices on the same basis. This agreement was also operated through the office of the Primary Textiles Institute. (Evidence page 10891).

Carpets

There is evidence of agreement between the four carpet companies in Canada. These companies employed a chartered accountant, K. A. Mapp to establish a uniform costing basis, discount lists and price structure.

In a letter to the Commission dated November 19, 1936 (Exhibit 1192), Mr. A. E. Cuthbertson, President of the Harding Carpets Limited, explained their action as follows:—

"It is obvious that the Canadian Mills had difficulty in operating on only \$2,200,000 production. Consequently, and inevitably, they indulged in serious price cutting, each in the effort to obtain as much business as possible. The result was not only disastrous to profits, and dividends were passed, but threatened capital structures. In an effort to put a stop to this destructive price cutting, the four principal mills—Brintons, Guelph, Hardings and Toronto Carpets—met in March 1934, with the idea of establishing a uniform costing basis, discount list and price structure, along the lines of the British Carpet Manufacturers' Association. In this way they hoped to escape the fate of the many Ontario furniture factories, who went bankrupt, due to similar conditions."

Broad Silk

In 1932 a survey of the capacity of the industry was made by a firm of chartered accountants with the intention of impressing each member with the danger of over-production. Monthly reports of deliveries, production and stock-on-hand were commenced and the moral was apparently sometimes pointed, as for instance in the circular sent out from the Silk Association's office in May, 1932, and filed as Exhibit No. 606:—

"Is there over-production? If so, is there a cure? How about a shut down for an agreed period? Could anything be done about night shifts? Would you attend a meeting to discuss this matter?"

"The same situation some time ago faced the full-fashioned hosiery industry. They contemplated an all round shut down for a month. Before doing so other measures were adopted which cured the situation and no shut down was necessary.

"Any opinion you express on this matter will be treated as confidential."

In addition to these attempts to limit competition attention must be drawn to two cases of monopolies existing through patent rights.

Acetate Yarns

Canadian Celanese Limited has a monopoly of the production of cellulose acetate yarns in Canada. Frequent complaints have been made by Canadian weavers who have been unable to secure supplies of acetate yarn except at prohibitive prices from Canadian Celanese, or from foreign sources on payment of a prohibitive duty. The result is to give Canadian Celanese a very strong monopoly position in the market for this type of fabric. The findings of the Tariff Board in April, 1936, in this matter deserve attention:—

"(1) That the prices charged by the Canadian Celanese Company in 1935 were completely out of line with the prices of similar yarn in the United States of America and the United Kingdom.

"(2) That the process carried on by the Canadian Celanese Company of producing cellulose acetate yarns as an integral part of the process of manufacturing artificial silk should not be considered as commercial production of acetate yarns in Canada."

The duties on single yarns were reduced under the British Preferential schedule to 5 per cent, with no *spécific* duty, but the old *specific* and *ad valorem* duties continue to apply under the Intermediate and General Tariffs.

Viscose Yarns

Courtaulds (Canada) Limited are the sole manufacturers of viscose yarn in Canada. They do not weave cloth. Because of their monopoly the company could apparently take full advantage of the tariff protection if it desired to do so. On this, however, the Tariff Board says:—

"... the price of viscose yarn in Canada in the most used counts shows little variation from the price of such yarn in the United States and in the United Kingdom. Canadian prices are higher on the less used counts than the comparative United States and United Kingdom prices."

The Primary Textiles Institute and its federated associations have existed for some time. The oldest of them, the Canadian Woollen and Knit Goods Manufacturers Association, began its operations about 18 years ago. It is not suggested that these bodies should not remain in existence, but the foregoing pages show the direction in which their activities tend: the maintenance of a high protective tariff, and in some degree, the regulation of trade and of the competition of Canadian firms in the home market. So long as recourse is had to legal methods only in the pursuit of these activities, all that can be done in the interests of the consuming public is to ensure the giving to them of all due publicity. Parliament has already set a limit beyond which restrictive trade activities may not travel. For instance, we have section 498 of the Criminal Code, the Combines Investigation Act, Sections 15 and 17 of the Customs Tariff Act, and section 4 of the Tariff Board Act.

CHAPTER IX

WAGES, EMPLOYMENT AND INDUSTRIAL RELATIONS

This Chapter will deal with the relations of all kinds which exist between employers and employees. The following enumerated subjects are set out to call attention to the principal topics discussed in the chapter and to indicate summarily the comment I have to make upon them:—

1. The textile industry is a leading employer of female workers and young persons and consequently conditions of labour in the factories should be carefully supervised.

2. Textile operations do not generally require great muscular effort but do necessitate close attention which involves considerable nervous strain and constant standing or moving about the machines.

3. In cotton mills and some other branches of the textile industry dust is present in the work rooms. The mitigation of this condition should be guided by administrative action by departments of health or labour. The condition of humidity and heat in the workrooms should also be closely supervised and safeguards established against the danger of gases in the artificial silk industry.

4. Improvements should be made in the provision of adequate changing rooms, wash rooms, etc., in textile factories.

5. Hours of work in textile factories are generally in excess of 48 hours. In view of the trend toward a shorter working day and a shorter working week in other industries and in western countries generally, efforts should be made to shorten these hours. If the living standards of the worker are not to suffer, this change should take place without reducing weekly wages.

6. Careful attention should be given to systems of piece work payments. Regulations should be adopted which will ensure that all workers are fully informed of the basis of their earnings.

7. The textile industry as a whole is a low-wage industry in comparison with other industries, particularly with respect to wages of male workers. Every effort should be made to bring mills with low wages at least up to the average for the various divisions of the textile industry.

8. In general, wage increases have taken place since the time this Commission began its sittings in March, 1936. Also manufacturers' profits have been larger.

9. The continued growth of large-scale business undertakings in the textile industry has greatly weakened the bargaining position of the individual worker. The time has come, therefore, when the natural right of employees to form themselves into associations should be recognized by all concerned. Their employers have done this in their own interests, and their associations pursue activities in many more directions than is to be found, for instance, in the case of British textile manufacturers. The denial of equal rights to the textile workers is indefensible.

10. These workers' associations should be allowed to pursue the attainment of all lawful objects by lawful means. Among the principal of these objects will be the adoption and the development, in the textile industry, of the process of col-

lective bargaining. Since the Commission concluded its sittings, two of the larger companies, the Dominion Textile Company and Courtaulds (Canada) Ltd., previously opposed to collective agreements, have concluded such agreements with their employees.

11. Some companies have adopted pension schemes for the benefit of their retired employees.

WAGES AND EMPLOYMENT

The position of the workers in the textile industry has been a matter of prime concern during the entire course of the Commission's inquiry. A considerable part of the hearings of the Commission was devoted to the presentation of oral evidence by a large number of mill employees in the various textile centres which were visited during the course of the inquiry. In addition, an investigator for the Commission examined working conditions in cotton mills and a large amount of statistical information was secured from the questionnaires sent out by the Commission auditors, actual payrolls and from other sources relating to wage rates and earnings of textile workers. The oral and written evidence which was presented to the Commission related not only to conditions of work in textile factories and the earnings of employees but also to the standards of living in textile centres and the effects of changing technology in the industry on the lives of the workers and their dependants. The labour problems in the textile industry are thus both economic and social in character and their solution demands that full attention should be given to the human factors which are involved. In the report of the International Labour Office already referred to, intitled "The World Textile Industry," these two aspects of the labour problem are summed up, on page 218, in the following manner:—

"On the other hand, the effects which the economic conditions of the industry have upon labour raise important questions from the larger point of view of human relations and social justice. Who are the workers who carry on the industry and help to make it what it is? What place have they in the industry? What is their reward for their labour and how does it compare with that of workers in other industries? What have the structural changes in the industry meant to the lives of the men, women and young people who have entered the industry in order to secure a livelihood? How have competitive practices in the industry affected working conditions, hours of labour, employment and unemployment? What general problems—economic and social—have the varying fortunes of the industry raised for those who call themselves and want to be textile workers?"

The foregoing statement enunciates the factors in the wage-earner's problem as the International Labour Office views this problem. As this statement is of fundamental importance, and as the Office sets it out in its own carefully chosen words both in English and in French, I think it well to add here the Office's French version to the English one. This version is as follows:—

"Par ailleurs, les répercussions de la situation économique de l'industrie sur le statut des travailleurs soulèvent d'importantes questions du point de vue plus général des relations humaines et de la justice sociale. Quels sont les travailleurs qui assurent le fonctionnement de l'industrie textile et qui contribuent à faire de celle-ci ce qu'elle est? Quelle place occupent-ils dans l'industrie? Quelle rétribution reçoivent-ils pour leur labeur et quel est son niveau par rapport à la rémunération que touchent les travailleurs d'autres branches industrielles? Quels effets les changements de structure de l'industrie ont-ils eus sur les conditions de vie des hommes, femmes et jeunes gens qui sont entrés dans l'industrie textile pour y gagner leur vie? Quelles ont été les répercussions des méthodes de concurrence pratiquées dans cette industrie sur les conditions et la durée du travail, l'emploi et le chômage? Quels problèmes généraux—économiques et sociaux—les vicissitudes de l'industrie ont-elles fait surgir pour ceux qui s'intitulent, et qui veulent être, les travailleurs du textile?"

The examination of these questions requires a study of the character of the labour force, the conditions of employment, wages and earnings in relation to the effort required and the cost of living, the hours of work and stability of employment. These and related matters will be dealt with in the sections which follow.

THE COMPOSITION OF THE LABOUR FORCE

The employment of women in the textile industry has been a characteristic feature since the beginning of the factory period. In 1934, female wage-earners formed 23.9 per cent of the total number of wage-earners in the manufacturing industries in Canada, but in the principal branches of the textile industry the proportions were much higher.

37. PERCENTAGE OF FEMALE WORKERS TO TOTAL NUMBER OF WORKERS IN THE PRINCIPAL DIVISIONS OF THE TEXTILE INDUSTRY, 1934

	Percentage of Female Wage-earners
Cotton yarn cloth	35.7
Woollen cloth	40.9
Woollen yarn	51.3
Silk and artificial silk	40.9
Hosiery and knit goods	64.7
Carpets	36.1

While the proportions of female workers are high for the textile industry in Canada compared with all manufacturing industries, a comparison with other countries shows that Canada occupies an intermediate position. According to data assembled by the International Labour Office female workers formed 41.6 per cent of the gainfully occupied textile workers in the United States, 59.1 per cent in Great Britain, 63.5 per cent in Japan and 43.9 per cent in Canada.

38. PERCENTAGE OF FEMALES AMONG PERSONS GAINFULLY OCCUPIED IN THE TEXTILE INDUSTRY, IN PRINCIPAL COUNTRIES

Country	Date	Gainfully Occupied in the Textile Industry	Females	Per Cent
Germany	1933	1,117,582	584,944	52.3
Austria	1934	83,743	48,875	58.4
Belgium	1930	256,705	124,519	48.5
Brazil	1920	88,369	57,548	65.1
Canada	1931	54,710	24,005	43.9
Spain	1920	207,152	123,680	59.7
United States	1930	1,217,411	506,716	41.6
France	1931	920,460	550,041	59.8
Great Britain and Northern Ireland—				
Great Britain	1931	1,338,152	791,130	59.1
Northern Ireland	1926	104,706	69,959	66.8
Hungary	1930	53,242	29,077	54.6
India	1931	3,844,931	1,509,486	39.3
Italy	1931	731,363	568,224	77.7
Japan	1930	1,488,941	945,019	63.5
Mexico	1930	87,758	19,819	22.6
Netherlands	1930	88,295	30,194	34.2
Poland	1934	136,876	74,122	54.2
Portugal	1930	56,432	38,271	67.8
Sweden	1930	62,752	40,435	64.4
Switzerland	1930	109,718	65,320	59.5
Czechoslovakia	1930	367,686	215,132	58.5
U.S.S.R.	1935	805,600	518,000	64.3
Total		13,223,000	6,935,000	52.4

There has been a tendency in Canada in recent years for the proportion of female workers to decline in the principal sections of the textile industry. This trend was particularly noticeable during the depression period when many employers gave preference to male employees and particularly those with dependents. To what extent the movement was accelerated by the fact that there were legal minimum wages for women in most provinces cannot be determined.

It may be noted that the Quebec Minimum Wage Act was amended in 1934 to prevent the replacement of female workers by males at a lesser wage. It would also appear that the rationalization which is proceeding in the industry together with increasing emphasis on finishing processes, such as dyeing and printing, may be factors in the increasing proportion of male workers.

39. PERCENTAGE OF FEMALES AMONG ALL WAGE-EARNERS IN PRINCIPAL DIVISIONS OF THE TEXTILE INDUSTRY, 1920 TO 1935

Year	Cotton Yarn and Cloth	Woollen Cloth	Woollen Yarn	Silk and Art. Silk	Hosiery and Knit Goods	Carpets
1920.....	45.7	47.0	51.9	76.7	70.3	34.0
1925.....	43.8	48.8	47.5	64.4	69.8	31.6
1929.....	41.8	44.6	57.8	58.8	67.8	35.5
1930.....	42.5	43.6	55.1	51.8	67.6	37.9
1931.....	41.0	44.4	56.8	46.4	68.0	38.5
1932.....	40.6	41.1	52.5	44.2	67.1	33.5
1933.....	38.3	43.6	51.7	43.5	67.6	28.7
1934.....	35.7	40.9	51.3	40.9	64.7	36.1
1935.....	35.7	40.2	51.5	39.6	64.5	35.2

The employment of female workers in the textile industry should be considered in relation to the ages of the workers. Not only does the industry provide employment for more than the average percentage of females, it also employs a larger proportion of youths and girls than other manufacturing industries.

40. GAINFULLY EMPLOYED IN CERTAIN TEXTILE INDUSTRIES, CLASSIFIED ACCORDING TO AGE AND SEX, 1931

Industry	Total	Number	Ages				
			10-15	16-17	18-19	20-24	25 years and over
	%		%	%	%	%	%
All Manufacturing Industries.....M	100.0		.3	2.4	4.5	13.7	79.1
F	100.0		1.7	10.1	15.7	30.7	41.8
Textiles (not clothing).....M	100.0		1.5	6.8	8.9	19.0	63.8
F	100.0		2.5	13.6	18.8	32.6	32.5
DIVISIONS							
Cotton Goods.....M	100.0	11,187	2.7	9.0	9.8	18.7	59.8
F	100.0	7,240	3.4	14.9	18.9	32.6	30.2
Hosiery and Knitted Goods.....M	100.0	3,970	.7	7.2	10.3	23.7	58.1
F	100.0	5,862	1.2	11.5	18.4	34.2	34.7
Silk and Artificial Silk.....M	100.0	4,789	1.2	6.2	10.8	25.9	56.0
F	100.0	4,101	3.8	16.2	22.0	34.2	23.8
Woollens and Worsteds.....M	100.0	4,631	1.1	5.1	7.2	14.4	72.1
F	100.0	3,596	2.7	14.0	17.1	28.9	37.3

The relatively large proportions of young persons employed in the textile industry compared with all manufacturing industries are clearly indicated in the table above. Males under 18 years of age constitute only 2.7 per cent of all workers in manufacturing industries, whereas the proportions are 11.7 for cotton goods, 7.9 for hosiery and knitted goods, 7.4 for silk and silk goods and 6.3 for woollens and worsted goods. For females the percentages are 11.8 for all manu-

facturing industries, 18.2 for cotton goods, 12.7 for hosiery and knitted goods, 20.0 for silk and silk goods and 16.7 for woollens and worsteds.

The significance of these percentages becomes clearer when the actual number of workers is given. In the cotton industry in 1931 there were 300 males and 244 females from 10 to 15 years of age, and 1,003 males and 1,076 females, 16 to 17 years old. For the primary textile industry as a whole, there were 471 males and 609 females under 16 years, and 2,081 males and 3,268 females from 16 to 17 years of age. Of the 6,429 young persons under 18 years of age employed in the primary textile industry 2,623 were working in the cotton goods division and 1,173 in the silk division.

This employment of large numbers of young persons in the textile industry is a characteristic feature in textile manufacturing countries. The following table from "The World Textile Industry" shows the situation in some important countries. The percentages for Canada have been inserted for purposes of comparison.

41. PERCENTAGE OF PERSONS UNDER SPECIFIED AGES AMONG PERSONS EMPLOYED IN THE TEXTILE INDUSTRY. FOR SELECTED OCCUPATIONS.

Country	Under 16	Under 20 or 21		
		Total	Male	Female
Germany.....	6.1	23.8	17.8	27.3 (a)
Belgium.....	5.3	26.6	20.3	32.3 (b)
Brazil.....		35.5	35.5	35.5 (b)
Spain.....		20.5	21.6	19.8 (b)
United States.....	2.1	18.8	13.3	26.6 (a)
France.....		21.5	16.1	24.9 (a)
Great Britain and Northern Ireland—				
Great Britain.....	4.7	24.1	17.7	28.3 (b)
Northern Ireland.....		23.8	20.5	25.5 (a)
Hungary.....	2.4			
Italy.....		31.1	15.8	35.5 (a)
Japan.....	19.5	47.8	23.6	59.1 (a)
Switzerland.....		16.5	10.4	20.6 (a)
Canada.....	2.0	25.0	17.2	34.9 (a)

(a) Under 20.

(b) Under 21.

The employment of women and children in large numbers in the textile industry requires that every effort should be made to protect the physical well-being of the workers. The medical examination of workers before employment and periodic examination thereafter are necessary steps in this direction. Continued improvement in facilities for the comfort and cleanliness of the operatives would appear to be necessary in view of the lack of modern equipment in the older mills.

WORKING CONDITIONS AND HOURS OF LABOUR

Mechanization in the textile industry had been carried to an advanced stage in the pre-war period. In recent years progress in labour-saving methods has been made largely through the re-organization of work, particularly in the weaving sections of the industry. The effect of these changes on the worker will be discussed in more detail later.

Although machines have replaced human labour in practically all processes in the textile industry the proportion of labour costs remains relatively high. The reasons for continued dependence upon human labour have been described as follows in a report by the International Labour Office on "Reduction of Hours of Work in the Textile Industry."

"In the first place, the machines are delicate and complex; they work at a high speed and require constant watching. Secondly, the thread is easily broken and irregularities in

the working of the machines are a frequent occurrence. These irregularities (breaking of the thread in spinning frames, warping frames and weaving looms) can only be repaired by hand. Lastly, the processes of cleaning, refining, bleaching, dyeing and finishing involve a number of operations which cannot always be performed mechanically."

The workers employed on the principal manufacturing machines are not required to furnish any considerable muscular effort, which explains, in part, the employment of large numbers of young persons and women in the factories. "On the other hand, both in spinning and weaving the work involves a constant effort of attention and considerable nervous strain, as well as requiring great dexterity, since it consists mainly in minding a large number of looms and joining up broken threads," to quote further from the report already referred to.

The physical working conditions in several sections of the textile industry appear very unpleasant to anyone visiting a plant for the first time. Some departments require the maintenance of a high degree of humidity for satisfactory operations. The presence of lint and dust in the air is noticeable in the early processes in the spinning and weaving of fibres, while in practically all departments the machine operations create a tremendous amount of noise. The phrase, "noisy and humid" with "dusty" often added is used to describe the working conditions of many occupations in cotton mills in a recent report by the United States Department of Labor. Even if, in any given case, it has not been possible to trace serious physical injury directly to the working conditions in the textile mills, there is no doubt that whatever steps might be taken to render the operative's surroundings more pleasant would be conducive to healthier and happier living.

The most serious causes of discomfort evident in the visits made by the Commission to various textile factories were the large amount of dust present in the opening, carding and spinning rooms of the cotton mills, and the high degree of heat and humidity in the weaving rooms. In addition to these conditions, workers testified to the excessive heat which was sometimes encountered when working around some of the textile finishing machines and the presence of deleterious fumes or gases in some of the operations in the manufacture of viscose yarns. The amelioration of excessive heat and humidity and the safeguarding against injurious fumes or dust depend upon adequate systems of mechanical ventilation. Improvements are constantly being made in ventilating systems and what is particularly needed in the textile industry is the progressive adoption of better methods of ventilation. Many of the factory buildings, particularly in the cotton and woollen branches of the industry, were constructed toward the close of the last century or early in the present century, and while improvements are made from time to time—some of which were brought to the attention of the Commission during its hearings—the conditions in many mills are still below modern factory standards.

In the provision of adequate changing rooms, wash rooms and eating places, many mills leave much to be desired. In many cases workers change from street to work clothes at their machines and must hang their garments on nails on the wall where they collect dust and moisture. It would seem essential that sanitary lockers and separate rooms for changing clothes should be provided in those mills which do not now possess such facilities. Industry needs workers who are healthy and efficient. The lack of comfort, the absence of hygienic facilities and the necessity of entering into the factory room directly from the outside temperature all tend to impair that efficiency and predispose the workers to colds, rheumatism and bronchitis.

HOURS OF WORK

Hours of labour in the textile industry in Canada have not been greatly modified since the 10-hour day became general after the adoption of factory legislation in several provinces about 1884.

In the minutes of the Montmorency Cotton Mills Ltd. in 1901 the following reference was found to the introduction of the 55-hour week:—

"Mr. Whitehead then raised the question of the hours of labour. He explained the arrangements with regard to the hours during which we could use the electrical power contracted for, and pointed out the inadvisability of operating part of the mill under one schedule and the remainder under another. He advised the adoption of a 55-hour week, as follows: During the winter months the hours would be from 6 a.m. to 11 a.m. and from 12 noon to 4 p.m.; during six days per week with one extra hour, 4 p.m. to 5 p.m. on Friday, for cleaning. During summer months the hours would be from 7 a.m. to 12 noon and from 1 p.m. to 6 during 5 days per week, and Saturdays from 7 a.m. to 12 noon. From experience Mr. Whitehead stated that he had not found the production had suffered from the reduction of hours as the help were able to do more work under the above schedule than under the 60-hour schedule."

The cotton industry in Quebec was not inspired by this innovation to attempt the progressive reduction in the hours of labour and in fact, it was found from the minutes of the Montreal Cotton Co. Ltd. that this Company did not introduce the 55-hour week until 1913.

It may be said that, in general, the textile industry in Quebec operates on the 55-hour week, while the industry in Ontario and the Maritimes operates on a 50-hour week. Exceptions will, however, be found as one large cotton mill in Quebec adopted in 1935 the three-shift system with 7½ or 8-hour shift while mills in Ontario will be found operating 55 hours per week. No severe statutory limitations have, as yet, been placed on hours of work in factories in those provinces in which the textile industry is chiefly conducted. A report of the Department of Labour for the year 1936 gives the following summary of legislation:—

"Factory laws in the Canadian provinces limit the hours of work for women and young persons except in Alberta and British Columbia, where the Hours of Work Acts apply to all employees. Exemptions may be made, in all provinces, either by permit from the factory inspector, or, in the case of the two western provinces, by the Board of Industrial Relations or by regulation.

"In New Brunswick, for females, and in Ontario, for females and boys under 16, the maximum hours are 10 in a day with 60-hour week; in Quebec for females and boys under 18, the maximum is 10 hours daily with a 55-hour week; and in Saskatchewan for females and boys under 16 a 48-hour week.

"The Nova Scotia Act imposes no limitation on hours of work under normal conditions, but in all these provinces, New Brunswick, Ontario, Quebec and Saskatchewan and Nova Scotia, provision is made for emergencies. With a permit, an extension of hours may be made in Ontario, Nova Scotia and Saskatchewan up to 12½ hours in a day and 72½ hours in a week on not more than 36 days in the year; in New Brunswick to 13½ hours in a day and 81 hours in a week, for a maximum of 36 days and in Quebec to 12 hours in a day and 65 hours in a week for six weeks in the year.

"In addition to these maximum hours provisions, the working period in factories is fixed for the same classes of workers. In New Brunswick the employment of women and young persons is prohibited between 10.30 p.m. and 6 a.m.; in Nova Scotia, between 9 p.m. and 6 a.m.; in Ontario, between 6.30 p.m. and 7 a.m.; in Quebec, between 6 p.m. and 7 a.m.; in Saskatchewan, between 10 p.m. and 7 a.m. In Ontario and Quebec in emergencies the factory inspector may permit work up to 9 p.m. In these two provinces, however, women and young persons may be employed in two shifts of eight hours each, both shifts to fall between the hours of 6 a.m. and 11 p.m."

The New Brunswick Factory Act, 1937, which is to come into force on proclamation, limits hours for females and for boys under 18 to 10 hours a day and 50 hours a week, or, in emergencies, with permit from the factory inspector on not more than 36 days in the year, to 12 hours a day and 68 hours a week. No woman or girl or boy under 18 may be employed after 9 p.m. or before 7 a.m.

The fact that the Canadian textile industry as a whole has not yet adopted the 48-hour week places this country among the least advanced group of countries, according to the report of the International Labour Office:—

"On the basis of existing regulations, the main textile producing countries may be divided into three groups, according to whether the regulation normal hours of work are

above, equal to or lower than 48 in the week. The first group of countries in which regulation normal hours exceed 48 in the week includes China, India and Japan. The second group of countries in which the regulation normal hours are 48 in the week includes Austria, Belgium, Brazil, Canada, Czechoslovakia, Estonia, Germany, Great Britain, Mexico, the Netherlands, Poland, Rumania, Spain, Sweden and Switzerland. The third group includes countries in which the regulation normal hours are less than 48 in the week, such as Australia (44 hours), France (40 hours), Italy (40 hours), New Zealand (40 hours), the United States (40 hours), and the U.S.S.R. (7 hours a day)."

At the time of the inclusion of Canada in this second group, the International Labour Bureau evidently had in mind the Limitation of Hours of Work Act recently declared by the Privy Council to be *ultra vires* the Parliament of Canada. As the situation now is, Canada is still in the first group with China, India and Japan.

The Dominion Bureau of Statistics secures annually in connection with the Census of Industry a statement from each mill giving the regular hours of work of wage-earners. A compilation of these returns for the year 1935 gives the following distribution of wage-earners according to regular hours of work in the principal divisions of the textile industry.

42. PERCENTAGE OF WAGE EARNERS IN PRINCIPAL DIVISIONS OF THE
TEXTILE INDUSTRY ACCORDING TO REGULAR HOURS OF WORK
IN MONTH OF HIGHEST EMPLOYMENT, 1935

	Cotton Yarn and Cloth	Woollen Yarn and Cloth	Silk and Artificial Silk	Knit Goods and Hosiery
44 hours and less.....	1.1	3.0	2.6	9.5
45 to 47 hours.....	1.8	1.8	1.2	14.4
48 hours.....	13.5	5.3	14.2	15.0
49-50 hours.....	18.5	37.0	20.0	32.0
51 to 54 hours.....	4.0	13.3	18.9	7.2
55 hours.....	55.1	27.9	28.4	20.0
56 to 59 hours.....	0.8	5.0	11.7	0.8
60 hours or more.....	5.2	6.7	3.0	1.1
	100.0	100.0	100.0	100.0

The knit goods division is the only branch of the textile industry in which more than one-quarter of the workers have a normal work-week of 48 hours or less. The majority of workers in cotton mills work 55 hours or more per week. It will be seen that 6 per cent of the cotton workers and 11.7 per cent of the workers in the woollen branch have regular hours exceeding 55 hours in the week. As 10 hours constitute the common length of the day shift in many textile mills, with 5 hours on Saturday, operatives working more than 55 hours in the week are generally male employees on the night shift or in the dyeing and finishing departments. It is not unusual, however, to find in the textile industry female operatives working more than 50 or 55 hours in the week. Some instances were brought to the attention of the Commission during its hearings and the analysis of payrolls of the cotton and silk branches for February, 1936, also revealed that weekly hours of work for females sometimes exceed 55 or even 60 hours.

Actual daily or weekly hours of work of textile operatives depend upon the level of mill activity and hours are longer or shorter than the regular work-period as the mills become busy or slack. The general practice in the textile industry has been to make no distinction in rates of wages between regular and over-time work and as permits may be secured to work females and children beyond the legal limits the tendency is to work the employees long hours during a rush of orders or when the production in one department fails to keep pace with that in others. If the well-established principle that over-

time work should be paid at higher rates were adopted in the industry there would be a strong incentive toward the maintenance of the regular work week which, it is indicated elsewhere, should be shorter than it is now in the textile industry. Recent orders of the Quebec Fair Wage Board provide, in some cases, for the payment of over-time.

EARNINGS OF TEXTILE WORKERS

One of the tasks assigned to me by the Order in Council was that of determining the trend of wages over a period of years for workers in the textile industry. Information was secured on wages from many sources including—

- (a) Evidence of mill workers appearing as witnesses.
- (b) Evidence of company officials.
- (c) Analysis of payrolls made under the direction of the Commission.
- (d) Questionnaires sent to textile firms by Commission auditors.
- (e) Reports of the Federal Department of Labour, Dominion Bureau of Statistics and provincial minimum wage boards.
- (f) Evidence of Mr. C. V. Fessenden.

The piece-work system of wage payment has been largely adopted in the textile industry for operatives employed on machine work, while those workers whose labour is not related directly to machine operations are paid at hourly rates. The payroll of a large textile mill thus becomes rather a complex record with details of type of product, piece rate, machines operated, output and earnings. As piece rates vary in some cases not only with the type or style of product, but also with number of machines the operator is required to tend, it is extremely difficult for the individual worker himself to keep an accurate record of his own earnings. This is particularly true when the management fails to keep the workers fully informed as to the piece-work rates in effect. The system of determining wage rates in the cotton branch of the textile industry was described by Mr. G. B. Gordon in the following words:—

"It is evident that, before establishing either an hour-rate or a piece-work rate for a job, the first point to be fixed is the basic wage to be earned in a standard week of operation. This figure is based mainly on the type of operative required and the value of such labour in the general labour field."

The basic wage thus becomes the standard for a good operative working with a full complement of machines producing as much as can be reasonably expected. Under such circumstances only the exceptional operative working under the best conditions would earn in excess of the basic wage. This is borne out by the experience of the Dominion Textile Company with a bonus system for workers producing more than the standard established. In Mr. Gordon's words "not many of them got it." In reply to a question as to the basic rate being a maximum this witness stated:—

"It is not an absolute maximum. It is the figure which we think a good worker should earn. Some of them earn more and a good many of them earn less."

The setting of basic wages in such a manner that the amounts are, for practical purposes, the maximum earnings under conditions of efficient machine operation undoubtedly has a tendency to lead the worker's supervisors to see that actual earnings approximate the amounts set out in the wage list. The expert investigator for the Commission describes in his detailed record some irregularities which he found in wage payments at one mill. In one department the wage list provided for the payment of certain employees on day rates as spare operatives. In actual practice, however, spare operatives were indistinguishable from the regular machine tenders so that piece rate and day rate earnings were calculated as follows:—

"Actually the total production is worked out at the regular piece rates, regardless of which operatives work on the different lots of roving. On the basis that each piece worker

should earn $25\frac{1}{2}$ cents per hour (\$13.98 per 55-hour week) it is then calculated in the pay office how many piece-work hours can be accounted for by this total production. Total production is then arbitrarily credited to operatives so that they will earn $25\frac{1}{2}$ cents per hour, until all the production is distributed. The operatives who are left over are then shown as spare tenders, and paid at 21 cents per hour."

While such instances may be the exception one can find a good deal of justification for the complaint of workers that they cannot determine how their earnings are calculated or at what rates they are being paid.

In another case, the investigator reported:—

"This indicates that the day work pay from this group of operatives is regulated in such a way as to keep the earnings of this group uniform, regardless of whether they are working harder or easier."

The inability of the worker to figure out how much he is earning leaves him defenceless when mistakes in the calculation of his earnings are made, as shown by the record of the department already referred to.

"Incidentally, this record of piece work earnings shows these operatives as earning under the base rate by from 39 cents to 85 cents in 55 hours, because the chief mill office clerk made a mistake, and was using \$13.89 as a basic wage, when the average for this group had been figured at \$14.60 in the analysis of piece work earnings book."

Such errors would be detected if legislation governing particulars of work and wages as provided in the Factory and Work-Shop Act, 1901, of the United Kingdom was adopted by those provinces in which textile factories are located. The British Act contains in Section 116 a "Particulars Section," as it is called, which provides:—

"In every textile factory the occupier shall, for the purpose of enabling each worker who is paid by the piece, to compute the total amount of wages payable to him in respect to his work, cause to be published particulars of the rate of wages applicable to the work to be done, and also particulars of the work to which that rate is to be applied as follows: . . ."

The section then goes on to provide for the furnishing of particulars in writing to each worker in the various sections of the industry.

The system of piece-work rates, which has been described, differs markedly from the premium system, which, according to the investigator's evidence, is to be found, for instance, in the York Knitting Mills Ltd., Toronto, Ont. Under this system, workers are encouraged to earn more than the basic wage, which is set so that it may easily be attained by the normally skilled operative. In the case of the York Knitting Mills Ltd., the following system of wage payment has been established, according to the report of the investigator:—

"The operator is paid a guaranteed base rate regardless of output. This is an hourly rate and is paid to the operator for all time spent in the plant. If the operator turns in a production in excess of the standard requirements he is paid a premium in direct proportion. Thus he is paid a guaranteed wage, is protected fully for any time losses not due to his own fault and is bonused for extra effort should he care to exert it."

WAGES IN TEXTILE AND OTHER INDUSTRIES

Before examining in detail the earnings of textile workers some attempt may be made to discover how wages in the textile industry in Canada compare with those prevailing in other manufacturing industries. It has already been shown that the labour force in the textile industry contains a much higher proportion of female workers than does manufacturing industry as a whole. The relatively large percentage of young persons which it employs has also been mentioned. The average earnings in an industry are also affected by the degree of skill required of its operatives. In this connection we may quote the conclusions of Dr. Lewis L. Lorwin, Economic Advisor to the International Labour Office, as given in a book entitled "The World Textile Conference."

"The textile industry is further characterized by a high percentage of unskilled and semi-skilled workers. With many important exceptions, of course, textile manufacturing

processes require of the labour force chiefly deftness, speed and attention, rather than the exercise of muscular strength or the possession of high-grade craftsmanship.

"Partly because of this composition of its labour force, partly for other reasons..... the textile industry may be characterized on the whole as a low-wage industry."

Unfortunately, it is not possible to compare hourly earnings in the textile industry with earnings in other Canadian manufacturing industries as no comprehensive hourly wage data are compiled by any governmental bureau. For recent years, however, it is possible to compare weekly earnings in Canadian industries as the Dominion Bureau of Statistics has instituted a survey of this character beginning with the year 1934. A comparison of weekly earnings in the textile industry with the average for all other principal industries is given in the following table:—

43. COMPARISON OF WEEKLY EARNINGS IN THE TEXTILE INDUSTRY WITH EARNINGS IN OTHER PRINCIPAL MANUFACTURING INDUSTRIES, 1934

Division	Canada		Quebec		Ontario	
	Males	Females	Males	Females	Males	Females
	\$	\$	\$	\$	\$	\$
Cotton.....	16.15	12.21	15.61	11.80	17.26	13.13
Woollen.....	17.29	12.30	14.23	11.23	19.58	12.55
Broad Silk.....	15.02	10.93	14.30	10.24	18.40	12.72
Artificial Silk.....	20.32	12.67	18.62	12.75	23.24	12.60
Hosiery and Knit Goods.....	19.67	12.86	18.10	12.00	20.85	12.21
Average.....	17.32	12.41	15.95	11.62	19.62	13.06
Average, Principal Manufacturing Industries, other than Textiles.....	21.28	11.82	20.16	10.66	22.60	12.69

The above table shows that the earnings of male workers are lower in the textile industry than for all manufacturing industries, but that female textile workers on the whole have slightly higher weekly earnings than females in other manufacturing industries. There are probably a number of factors which account for the higher wages of women in the textile industry, among which are the preponderance of piece rates in this industry and the relatively longer hours which employees work in textile factories than in other manufacturing industries. In 1934, the minimum wage rates for female workers in the province of Quebec were higher for the textile industry than for other manufacturing industries, particularly boots and shoes and the tobacco industry, which employ relatively large numbers of female workers. Since 1934, however, the minimum wage rates in Quebec have been revised so that there is not now as much difference between the various manufacturing industries in this regard. It may also be that female workers remain longer in the textile industry than in other manufacturing industries and thus generally become more experienced than do female workers in other industries.

It was suggested to the Commission by representatives of the textile industry that in a comparison of earnings allowance should be made for the relatively large proportion of young textile workers. While it is true that youths earn less than older workers, it is not believed that this factor tends to influence greatly the average earnings of workers, as shown in Table 43. This conclusion is borne out by a calculation of the earnings of adult male workers in the principal divisions of the textile industry. From data contained in the report of the Royal Commission on Price Spreads, weekly earnings of adult male workers in the principal divisions of the textile industry have been calculated and are shown in Table 44.

44. COMPARISON OF WEEKLY EARNINGS OF ADULT MALE WORKERS WITH
EARNINGS OF ALL MALE WORKERS, 1934

Division	Adult Males 21 Years and Over			Census of Industry Report All Males
	Average Hourly Earnings	Average Hours Worked	Average Weekly Earnings	
	cents		\$	\$
Cotton.....	31.0	53.0	16.23	16.15
Woollen.....	35.0	53.5	18.72	17.29
Broad Silk.....	29.4	54.0	15.66	15.02
Artificial Silk.....	39.0	51.7	20.16	20.32
Hosiery.....	40.6	51.0	20.71	19.67
Knit Goods.....	36.6	48.0	17.57	

It will be noted that only in the case of the woollen branch is there any considerable difference between the weekly earnings of adult male workers and the wage of all male workers as reported to the Dominion Bureau of Statistics in 1934. It appears, therefore, that, so far as males are concerned, textile manufacturing in Canada, compared with other manufacturing industries is a relatively low-wage industry. It has been a common feature in all industrial countries that those industries with a large proportion of female workers tend to have lower wages than those in which the preponderant proportion of workers are males. In fact, one may say that the higher the proportion of women in an industry the lower will be the level of the earnings of males compared with other industries. The textile industry in some respects has been a "family" industry in that often the children and sometimes the wife, in addition to the family-head, find employment in the one mill. There has thus been a tendency on the part of employers to consider the wages which they pay not solely in relation to the requirements of a worker with dependents, but on the basis of the joint income which may be secured by a family if several of its members are employed. The level of wages thus tends to fall to the cost of living for a family of several wage-earners. This outcome fails, however, to make provision for the inevitable circumstances where the wife is required at home to take care of a growing family, no members of which, other than the family-head, are at an age when they might be employed in the mill. The result is that either the wife or child seeks employment sooner than is socially desirable.

TREND OF WAGES SINCE 1926

The average hourly earnings of workers in the principal divisions of the textile industry are given for Quebec and Ontario in Table 45.

45. AVERAGE HOURLY EARNINGS IN PRINCIPAL DIVISIONS OF THE TEXTILE INDUSTRY, 1926 TO 1936

QUEBEC

Division		1926	1930	1934	1936
		cents	cents	cents	cents
Cotton.....	Total	25.1	25.2	23.9	25.5
	M.	28.7	29.0	25.7	26.7
	F.	22.5	22.8	21.9	24.0
Silk.....	Total	23.6	26.8	22.5	23.9
	M.	29.3	29.4	24.8	25.6
	F.	20.4	23.9	19.2	21.1
Artificial Silk.....	Total		32.8	31.8	33.4
	M.		37.2	34.1	34.8
	F.		21.7	24.6	27.0
Woollen.....	Total	26.7	27.7	26.6	27.8
	M.	31.6	32.3	31.1	31.4
	F.	20.8	20.9	20.5	22.5
Knit Goods.....	Total	22.8	25.3	24.0	25.8
	M.	26.4	28.0	27.3	28.5
	F.	19.5	22.4	21.0	23.1
Hosiery.....	Total		29.9	27.7	30.9
	M.		36.0	33.1	36.4
	F.		24.9	23.2	25.7
Thread.....	Total	35.2	38.0	32.7	31.9
	M.	49.9	47.0	43.1	40.8
	F.	30.5	34.0	28.1	28.0
Carpet.....	Total				
	M.				
	F.				

45. AVERAGE HOURLY EARNINGS IN PRINCIPAL DIVISIONS OF THE TEXTILE INDUSTRY, 1926 TO 1936—*Concluded*

ONTARIO

Division	1926	1930	1934	1936
	cents	cents	cents	cents
Cotton.....Total	28.0	30.3	27.1	29.1
M.	31.5	35.5	28.8	31.1
F.	25.4	26.7	25.1	26.6
Silk.....Total			28.8	31.0
M.			33.9	35.3
F.			25.5	27.4
Artificial Silk.....Total	36.3	37.3	37.6	37.0
M.	44.9	46.4	45.4	45.1
F.	27.2	24.5	24.3	24.9
Woollen.....Total	33.8	34.8	30.2	31.4
M.	38.1	40.2	34.3	35.6
F.	26.5	28.4	24.8	25.6
Knit Goods.....Total	32.5	35.1	30.8	31.7
M.	39.4	42.9	37.5	38.6
F.	28.0	30.6	26.7	27.7
Hosiery.....Total	30.8	32.7	31.9	33.2
M.	42.0	44.1	41.2	40.3
F.	28.2	27.1	26.1	27.8
Thread.....Total		33.6	36.4	33.4
M.		42.3	45.1	43.6
F.		27.6	27.5	26.6
Carpets.....Total	46.5	44.7	36.5	37.1
M.	51.8	50.8	40.9	41.4
F.	35.0	32.8	28.3	29.2

Hourly earnings for males in Quebec in 1930 ranged from 28.0 cents in the Knit Goods division to 47.0 cents in the Thread division. In Ontario in the same year, the earnings of males ranged from 35.5 cents in the Cotton division to 50.8 cents in the Carpet mills. For females in 1930, hourly earnings in Quebec were lowest in the Woollen division, 20.9 cents, and highest in the Thread division, 34.0 cents. In Ontario, hourly earnings of females ranged from 24.5 cents in the Artificial Silk division to 32.8 cents in the Carpet division.

Hourly earnings of textile workers tended to rise in the period prior to 1930 but the increases were not very marked. The average earnings of workers in the Cotton division in Quebec, however, showed practically no change between 1926 and 1930. Between 1930 and 1934, average hourly earnings declined for both sexes in practically all branches of the industry, notwithstanding that some firms, according to the evidence presented to the Commission, did not alter wage rates in the first years of the depression. Reduction in wages are achieved by textile executives in many ways without formal reduction of wage rates. The following excerpt from a letter dated November 4th, 1932, from Mr. H. Barrett, Dominion Woollens and Worsteds Ltd. to Mr. A. O. Dawson, illustrates the process of "whittling down" wages:—

"While there (at the mill) the writer went into the question of a further reduction in wages and salaries, which reduction will be effected on Monday morning next. The total of these reductions the writer is not sure of just at the moment but whenever reductions can be made they will be put into effect. During this year at the Auburn mill a considerable number of additional hands have been employed and wherever new hands have been taken on, they have been taken on at a very much reduced wage. Mr. Bell pointed out instances when the

employment of young men to handle work formerly done by older men had been going on and the wage which was being paid to these young men was 14 cents per hour or \$7.00 a week for a fifty-hour week. At Hespeler male mule-spinners who were earning from \$18.00 to \$22.00 per week for a fifty-hour week have been replaced by girls at half the wage."

In the Cotton division the larger companies made a general reduction in hourly earnings averaging from 10 to 12 per cent in April 1933, but made a partial restoration of 5 per cent in April, 1934, followed by further increases in the latter part of 1936. The increases in the wage rates of cotton workers in 1936 are not reflected in the statements of earnings prepared for the Commission as payrolls for February, 1936, were the latest analysed. From information currently available it is clear that further increases in wages were made by some cotton companies during 1937 and that firms in other sections of the textile industry have also made wage increases in a number of instances, since February, 1936, particularly for male employees. In general the advances run from 5 to 10 per cent over the rates prevailing in the early months of 1936.

Without attempting to deal in detail with the changes in rates of wages during the past two years, I may mention the increases which have been made by some of the larger companies. The Dominion Textile Company in December, 1936, restored the wages of mill workers generally to the level prevailing in 1930. Two bonuses were granted during 1937, one of 5 per cent covering wages in the first quarter of the year and one of 3 per cent in the second quarter. In December, 1937, collective agreements were concluded between the Dominion Textile Company, Ltd., the Drummondville Cotton Co. Ltd. and the Montreal Cottons Ltd., and their mill employees, which provide for increases of 4 per cent in piece work rates and of 7 per cent in rates for hourly-paid workers earning less than 30 cents per hour over the wage levels previously prevailing. The Canadian Cottons Ltd. have stated that wages rates were restored to the pre-depression level in December, 1936, and that on May 1, 1937, a further advance of 6 per cent was made.

The Renfrew Woollen Mills Ltd. made increases averaging 10 per cent in June, 1937, and a similar increase was made by the Renfrew Textiles Ltd. The Dominion Woollens and Worsteds Ltd. increased wages at the Hespeler and Auburn mills, generally, by 11 per cent.

Under the collective agreement concluded between Courtaulds (Canada) Ltd. and its employees, in September, 1937, the average hourly earnings of male workers are 6 cents and those of females 5 cents higher than in February, 1936, according to information furnished by the Company.

In each division of the industry it will be found that the hourly earnings of the employees in some of the mills vary considerably from the averages shown for the section as a whole. The situation in this regard is not so striking in the Cotton division as it is in some of the other sections in which there are a large number of firms. According to the analysis of the payrolls for February, 1936, the average hourly earnings of mill workers ranged from 25.3 cents at the Drummondville plant of the Dominion Textile Company to 42.1 cents in the Hamilton plant of the Cosmos Imperial Limited. In the case of female workers, average hourly earnings were 21.9 cents in the Montmorency branch of the Dominion Textile Company and 21.2 cents in the plant of the Trent Cotton Co. Ltd., in Ontario. The highest average earnings were shown for the Cosmos Imperial Limited, Hamilton Mill, where they were 30.9 cents.

While the average hourly earnings of the adult male employees in the Woollen division of the industry were 36.9 cents for the Ontario mills, a number of companies showed average hourly earnings of less than 30 cents. Returns of the Renfrew Textiles Limited show that male employees 21 years and over were receiving, in February, 1936, only 24.5 cents per hour, while in the Renfrew Woollen Mills, the average was only slightly higher, at 25.9 cents. In the case of female employees, 18 years and over, where the average earnings of

all mills were 26.4 cents per hour, the Glen Woollen Mills Ltd., Maitland Spinning Mills Ltd., Northern Textiles Ltd. and Renfrew Woollen Mills had average hourly earnings of less than 21 cents. In the province of Quebec, there was a very marked contrast between the level of wages in the large mills and in the smaller ones. The average hourly earnings in all woollen mills in Quebec were 31.4 cents per hour, but adult male employees in the Saguenay Spinners Ltd. received only 21.5 cents and at the Warwick Woollen Mills Ltd., 22.9 cents. Female employees 18 years and over, in the same two mills, received 17.8 cents in the Saguenay Spinners Ltd., and 19.1 cents in the Warwick Woollen Mills Ltd.

Although adult males in the hosiery division were on the average among the highest paid in the textile industry with an average of 44.8 cents per hour in February, 1936, some mills showed averages considerably below this figure, one mill having an average of less than 25 cents per hour. Again in the province of Quebec, where the average hourly earnings for adult males were 41.2 cents per hour, it was found that one mill had an average of only 20.8 cents.

Adult male employees in the Knit Goods division received an average of 39.7 cents per hour in February, 1936. Three companies, the Albion Knitting Co. Ltd., The British Knitwear Limited and Dods Knitting Co. Ltd., had an average of less than 30 cents per hour. In Quebec, where the average for adult males in this division of the industry was 29.5 cents it was found that average hourly earnings ranged from 22 cents an hour for one mill to 44.3 cents for the highest.

Figures for average hourly earnings by divisions or by individual mills, while indicating the general level of earnings, do not reveal the extent to which extremely low-paid workers may be present in an industry. The classification of workers according to actual hourly earnings show that a considerable part of the textile workers receive relatively low hourly earnings and in only a few of the divisions does any large proportion receive as much as 40 cents per hour. The following tables based on the combined returns for February, 1936, present a most revealing picture of earnings in the textile industry. They serve to show the differences in wage levels between Quebec and Ontario and the differences in earnings by sex.

Of the male workers in the Cotton division only 11.6 per cent in Quebec and 18.1 per cent in Ontario received 40 or more cents per hour. About the same proportion of male workers was in this wage class in the Silk division in Quebec, but 27.2 per cent of the Ontario male silk workers received 40 or more cents per hour. The Hosiery division in both Quebec and Ontario had the highest proportion of the male workers receiving 40 or more cents per hour, with 42.7 per cent and 50.8 per cent respectively. The Carpet division and Knit Goods division in Ontario had more than 40 per cent of the workers in this wage class.

Few female workers in either Ontario or Quebec receive as much as 40 cents per hour. In Quebec, with the exception of the Knit Goods and Hosiery divisions, the large proportion of female workers receive less than 25 cents per hour, while in Ontario, except for Knit Goods, Hosiery and Carpets, the upper limit for most female workers is 30 cents per hour.

46. CUMULATIVE PERCENTAGE DISTRIBUTION OF EMPLOYEES IN TEXTILE INDUSTRIES, ACCORDING TO HOURLY EARNINGS, FEBRUARY 1936

MALES

Hourly earnings	Cotton		Silk	
	Quebec	Ontario	Quebec	Ontario
Less than 12½ cents.....	0.3	.....	9.1	0.5
“ 17 “	8.9	1.7	24.4	4.8
“ 21 “	25.0	6.1	39.3	11.2
“ 25 “	43.1	18.1	52.4	18.6
“ 30 “	68.1	45.9	72.0	34.9
“ 35 “	80.2	72.2	82.7	52.7
“ 40 “	88.4	81.9	88.6	72.8
40 cents and over.....	11.6	18.1	11.4	27.2
	Woollen (a)		Knit Goods (a)	
	Quebec	Ontario	Quebec	Ontario
	0.3	.....	2.6	0.2
	11.2	1.5	10.4	1.8
	18.3	7.7	18.9	5.3
	39.3	12.6	30.4	9.2
	58.8	26.2	52.1	18.9
	75.9	52.3	67.9	38.2
	84.5	71.3	79.5	58.0
	15.5	28.7	20.5	42.0
	Hosiery (a)		Carpets (a)	
	Quebec	Ontario	Quebec	Ontario
	3.5	3.9	.....	.....
	13.3	10.9	.....	1.7
	20.5	11.4	.....	8.6
	25.9	19.2	.....	13.3
	35.0	29.9	.....	27.1
	43.5	42.2	.....	43.4
	57.3	49.2	.....	57.0
	42.7	50.8	.....	43.0

(a) The distribution of employees according to hourly earnings is based on the reports of those firms which furnished such information.

46. CUMULATIVE PERCENTAGE DISTRIBUTION OF EMPLOYEES IN TEXTILE INDUSTRIES, ACCORDING TO HOURLY EARNINGS, FEBRUARY 1936—*Cont.*

FEMALES

Hourly earnings	Cotton		Silk	
	Quebec	Ontario	Quebec	Ontario
Less than 12½ cents.....	0.1	.....	2.7	.....
“ 17 “.....	9.3	0.9	20.0	1.5
“ 21 “.....	29.0	6.5	45.3	7.4
“ 25 “.....	61.0	36.5	77.1	21.4
“ 30 “.....	88.1	80.7	93.3	78.9
“ 35 “.....	96.8	94.3	98.6	93.9
“ 40 “.....	99.0	98.9	99.4	97.2
40 cents and over.....	1.0	1.1	0.6	2.8
	Woollen (a)		Knit Goods (a)	
	Quebec	Ontario	Quebec	Ontario
Less than 12½ cents.....		0.2	0.9	0.1
“ 17 “.....	14.8	2.5	9.3	1.4
“ 21 “.....	34.0	20.8	19.9	5.8
“ 25 “.....	75.7	46.9	46.6	20.9
“ 30 “.....	87.5	70.5	86.9	60.2
“ 35 “.....	97.0	86.5	98.0	86.6
“ 40 “.....	98.1	94.6	98.1	95.9
40 cents and over.....	1.9	5.4	1.9	4.1
	Hosiery (a)		Carpets (a)	
	Quebec	Ontario	Quebec	Ontario
Less than 12½ cents.....		1.7		
“ 17 “.....	9.3	3.0		3.4
“ 21 “.....	23.3	11.4		10.5
“ 25 “.....	45.5	30.0		31.2
“ 30 “.....	74.0	59.8		51.2
“ 35 “.....	91.0	85.4		74.2
“ 40 “.....	96.7	94.6		91.2
40 cents and over.....	3.3	5.4		8.8

(a) The distribution of employees according to hourly earnings is based on the reports of those firms which furnished such information.

The relative movements in hourly earnings by sex and divisions are shown by the index numbers in Table 47.

47. INDEX NUMBERS OF AVERAGE HOURLY EARNINGS IN PRINCIPAL DIVISIONS OF THE TEXTILE INDUSTRY

(February, 1930=100)

MALES

Year	Cotton		Silk		Woollen	
	Quebec	Ontario	Quebec	Ontario	Quebec	Ontario
1926.....	99.0	88.7	99.7	.....	97.8	94.8
1930.....	100.0	100.0	100.0	(a)	100.0	100.0
1934.....	88.6	81.1	84.4	(a)	96.3	85.3
1936.....	92.0	87.6	87.0	(a)	97.2	88.6
	Knit Goods		Hosiery		Carpets	
	Quebec	Ontario	Quebec	Ontario	Quebec	Ontario
1926.....	94.3	91.8	.....	95.2	.....	102.0
1930.....	100.0	100.0	100.0	100.0	.....	100.0
1934.....	97.5	87.4	91.9	93.4	.....	80.5
1936.....	101.8	90.0	101.1	91.4	.....	81.5

47. INDEX NUMBERS OF AVERAGE HOURLY EARNINGS IN PRINCIPAL DIVISIONS OF THE TEXTILE INDUSTRY—*Concluded*

FEMALES

Year	Cotton		Silk		Woollen	
	Quebec	Ontario	Quebec	Ontario	Quebec	Ontario
1926.....	98.7	99.1	85.4		99.5	93.3
1930.....	100.0	100.0	100.0	(a)	100.0	100.0
1934.....	96.1	94.0	80.3	(a)	98.1	87.3
1936.....	105.2	98.6	88.3	(a)	107.5	90.8
	Knit Goods		Hosiery		Carpets	
	Quebec	Ontario	Quebec	Ontario	Quebec	Ontario
1926.....	87.1	91.5		104.0		106.7
1930.....	100.0	100.0	100.0	100.0		100.0
1934.....	93.7	87.3	93.2	96.3		86.3
1936.....	103.1	90.5	103.2	102.6		89.0

(a) Hourly earnings for 1930 were not available.

WEEKLY WAGES

Weekly wages are dependent upon the level of hourly earnings and the hours worked per week. Weekly earnings tend to reflect seasonal fluctuations in manufacturing activity as well as changes in rates of wages. Average weekly wages in 1930, 1934 and 1936 are shown in Table 48 for the principal divisions of the textile industry.

48. AVERAGE WEEKLY EARNINGS IN PRINCIPAL DIVISIONS OF THE TEXTILE INDUSTRY, FEBRUARY 1930, 1934 AND 1936

MALES

Division	Quebec			Ontario		
	1930	1934	1936	1930	1934	1936
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Cotton.....	11 70	10 97	11 57	16 33	14 11	14 69
Silk.....	18 55	13 85	12 60	22 85	17 13	16 65
Artificial silk.....	20 92	19 42	19 56	23 41	25 09	24 97
Woollen.....	16 90	16 19	16 45	19 27	17 65	18 04
Knit goods.....	14 71	13 65	13 96	20 14	18 33	18 68
Hosiery.....	19 18	19 07	19 13	22 97	21 38	20 29
Thread.....	23 07	19 43	19 22	22 54	26 94	24 29
Carpets.....				25 98	18 02	19 53

FEMALES

Division	Quebec			Ontario		
	1930	1934	1936	1930	1934	1936
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Cotton.....	8 92	8 83	9 57	12 73	11 79	12 13
Silk.....	12 68	9 31	9 34	17 33	13 32	11 20
Artificial silk.....	11 74	13 48	13 65	10 76	10 22	11 23
Woollen.....	9 50	9 71	10 36	11 37	11 72	12 17
Knit goods.....	8 99	9 55	9 45	12 46	11 14	11 62
Hosiery.....	12 03	10 92	11 49	12 14	11 89	12 05
Thread.....	14 86	12 79	12 37	13 13	13 81	13 94
Carpets.....				15 77	12 32	13 33

The relative movements in weekly earnings are shown in the following table.

49. INDEX NUMBERS OF AVERAGE WEEKLY EARNINGS IN PRINCIPAL DIVISIONS OF THE TEXTILE INDUSTRY

(February, 1930 = 100)

MALES

Year	Cotton		Silk		Woollen	
	Quebec	Ontario	Quebec	Ontario	Quebec	Ontario
1930.....	100.0	100.0	100.0	100.0	100.0	100.0
1934.....	93.8	86.4	74.7	75.0	95.8	91.6
1936.....	98.9	90.0	67.9	72.9	97.3	93.6
	Knit Goods		Hosiery		Carpets	
	Quebec	Ontario	Quebec	Ontario	Quebec	Ontario
1930.....	100.0	100.0	100.0	100.0	.....	100.0
1934.....	92.8	91.0	99.4	93.1	.....	69.4
1936.....	94.9	92.7	99.7	88.3	.....	75.2

FEMALES

Year	Cotton		Silk		Woollen	
	Quebec	Ontario	Quebec	Ontario	Quebec	Ontario
1930.....	100.0	100.0	100.0	100.0	100.0	100.0
1934.....	99.0	92.6	73.4	76.9	102.2	103.1
1936.....	107.3	95.3	73.7	64.6	109.1	107.0
	Knit Goods		Hosiery		Carpets	
	Quebec	Ontario	Quebec	Ontario	Quebec	Ontario
1930.....	100.0	100.0	100.0	100.0	.....	100.0
1934.....	106.2	89.4	90.8	97.9	.....	78.1
1936.....	105.1	93.3	95.5	99.2	.....	84.5

MINIMUM WAGES

Minimum wages for female employees in the textile industry have been established in all manufacturing provinces with the exception of New Brunswick. In the latter province a Fair Wage Board has been established under legislation passed in 1937, but so far no orders have been issued with respect to minimum wages in the textile industry.

Legislation passed in 1937 in the provinces of Ontario and Quebec make provision for the application of minimum wage orders covering male employees. In Ontario the Minimum Wage Act, 1937, provides as follows in Section 4:—

“The Board shall have authority to establish minimum rates of wages for all employees and generally to enact such provisions with respect to conditions of employment as may be deemed necessary for the betterment of the physical, moral and intellectual well-being of the employees. . . .”

In Quebec, an Act Respecting Fair Wages (Loi des Salaires Raisonnables) provides, among other things, in Section 9, that the Fair Wage Board may by ordinance

“(a) determine, for the periods of time fixed by it, for the territories it may designate and for any category of employees it may indicate, fair wages and working hours;”

At the present time in Ontario no orders have been issued by the Industry and Labour Board with respect to minimum wages of male employees in the textile industry under the provisions of the Minimum Wage Act, 1937.*

In the Province of Quebec two ordinances have been promulgated by the Fair Wage Board to establish minimum wages for workers in the textile industry. The first is Ordinance No. 4, which is to come into effect on February 15, 1938.† This provides for all employees in industrial and commercial establishments, with certain exceptions, the following minimum rates of wages:—

	Zone 1 Montreal and District	Zone 2 Cities 5000 and over	Zone 3 Remainder of Province
	cents	cents	cents
60% of the employees to receive not less than.....	26	24	22
25% of the employees to receive not less than.....	22	20	18
15% of the employees to receive not less than.....	17	15	13

This ordinance also makes provision for the hours of work to which the minimum rates shall apply and the payment to be made for hours above or below the regular hours established.

The Ordinance No. 4, mentioned above, is of general application to all industrial workers. Ordinance No. 5, which was passed by the Fair Wage Board on December 30, 1937, and which came into effect as soon as it was published in the *Quebec Official Gazette*, provides for minimum wages for workers in the silk textile industry. This ordinance, among other things, establishes a minimum hourly rate of 18 cents for all workers in the industry, based on a regular working week of 50 hours. In addition, the ordinance provides that all workers engaged on piece work shall have their previous rates increased by 10 per cent and for employees working and paid by the hour, increases of 8 per cent to 20 per cent over the scale previously prevailing, the higher percentage increases to apply to the lower paid workers.

The minimum wage regulations for female workers provide generally for differential minimum rates based on age and experience of the worker, and for different sections of the province. A departure from the general practice was made in Quebec in 1935 when minimum and maximum percentages of the number of workers were set for the different rates of wages for the textile industry instead of the classification by age and experience. This change, in the opinion of the minimum wage officials, greatly facilitated the checking of evasions of the regulations and permitted employers to retain workers at the beginner's rates of wages after a time when they would previously have been entitled to the rates for experienced workers.

It was not the duty of the Commission to examine in any detail the enforcement of the minimum wage regulations in the various provinces, but the statistical data presented to the Commission on earnings of textile employees may well be viewed in relation to existing regulations on minimum wages.

The Quebec regulations, as we have stated, are the only ones which provide for the percentage classification of employees according to wages. The effective minimum rates in this province in 1936, for female textile workers, were:—

* On January 28th, 1938, while this report was in the course of printing, the newspapers announced the issuing of an order by the Ontario Industry and Labour Board fixing its first wage scale, under the Ontario Minimum Wage Act, 1937, for the cotton and woollen divisions of the textile industry. The order is to become effective on March 1, 1938.

† Since postponed to a later date.

	Montreal and District	Remainder of Province
	cents per hour	cents per hour
10% of the employees to receive not less than.....	14.5	12.5
25% of the employees to receive not less than.....	19.0	17.0
65% of the employees to receive not less than.....	25.0	21.0

The payrolls of the cotton and silk divisions of the textile industry, for February, 1936, have been analysed in such a way that the actual earnings of employees may be compared with the minimum rates established for women workers in Quebec. In order to facilitate the comparison we may use the lower of the two Quebec schedules as a standard, bearing in mind that these are the minimum rates for both experienced and inexperienced female workers.

COTTON DIVISION—DISTRIBUTION OF EMPLOYEES ACCORDING TO HOURLY EARNINGS, FEBRUARY, 1936

Hourly Earnings	1936 Quebec Minimum Wage Rates for Outside Montreal	Quebec		Ontario	
		Males	Females	Males	Females
		Percentages of total employees receiving			
Less than 12½ cts.....	None	0.3	0.1	.....	.....
12.5 - 16.9 cts.....	10%	8.6	9.2	1.7	0.9
17.0 - 20.9 cts.....	25%	16.1	19.7	4.4	5.6
21.0 cts. and over.....	65%	75.0	71.0	93.9	93.5

The above table is not intended in any way to indicate the extent of conformity of actual wage rates to minimum wage regulations as higher rates are enforced in the Montreal District and the rates for women in Ontario are based on age and experience as well as locality. An examination of the figures for individual companies gives a clearer picture of actual earnings in relation to the minimum Quebec standard although the wage increases which have been given since February, 1936, may have served to obviate some of the extreme low wages which are indicated by the figures in the following table.

COTTON DIVISION—DISTRIBUTION OF EMPLOYEES ACCORDING TO HOURLY EARNINGS, FEBRUARY, 1936

Hourly Earnings	1936 Quebec Minimum Wage Rates for Outside Montreal	Montreal Cottons Ltd.		Wabasso Cotton Co. Ltd.		Trent Cotton Co.	
		Males	Females	Males	Females	Males	Females
		Percentages of total employees receiving					
Less than 12½ cts.....	None	0.7	.....	0.2	0.3	.....	.....
12.5 - 16.9 cents.....	10%	5.3	9.7	9.2	21.7	.....	3.9
17.0 - 20.9 cents.....	25%	18.3	27.7	22.1	12.3	13.4	49.0
21.0 cts. and over.....	65%	75.7	62.6	68.5	65.7	86.6	47.1

As earnings of many textile workers are dependent upon piecework rates there may be variations in their earnings between one pay period and another. In the case of the Montreal Cottons Limited it will be seen that the proportion of female employees receiving between 17 and 21 cents per hour was slightly greater than that set under the minimum wage regulations while in the case of the Wabasso Cotton Company Ltd. too large a proportion is found in the group from 12½ to 17 cents. While the situation may have been corrected in the next pay period, it is suggested that piece work rates should be set with ample allowance for possible reductions in earnings due to operating conditions so that wage payments should not fall below the very low minimum standards set by the wage boards.

The Quebec rates do not, of course, prevail in Ontario, where rates are set on the basis of age and experience of female operatives. However, the Trent Cotton Co. a subsidiary of the Hamilton Cotton Company had a much higher proportion of its female workers in the class earning from 17·0 cents to 20·9 cents than would be permissible under the Quebec standard. This is a small mill but, to the workers employed therein, the scale of wages is of vital importance. There seems to be no justification for maintaining a low wage rate even in small undertakings.

On the whole it may be said that the cotton companies have conformed to the minimum wage regulations. The silk industry in Quebec presents a far less favourable record. The combined returns from all mills revealed that the minimum standards were not being maintained in February, 1936.

SILK DIVISION—DISTRIBUTION OF EMPLOYEES ACCORDING TO HOURLY EARNINGS, FEBRUARY 1936

Hourly Earnings	1936 Quebec Minimum Wage Rates for Outside Montreal	Quebec		Ontario	
		Males	Females	Males	Females
		Percentages of total employees receiving			
Less than 12½ cts.....	none	9·1	2·7	0·5	.....
12·5-16·9 cents.....	10%	15·3	17·3	4·3	1·5
17·0-20·9 cents.....	25%	14·9	25·3	6·4	5·9
21·0 cts. and over.....	65%	60·7	54·7	88·8	92·6

Although the Quebec minimum wage regulations provided that no female operatives should be paid less than 12½ cents per hour it will be seen that 2·7 per cent of the total number of female workers were receiving less than this amount. The regulations also provided that not more than 10 per cent of the workers should receive less than 17 cents, but the proportion was twice this limit as 20 per cent of the female workers earned less than 17 cents. Instead of 65 per cent of the female workers receiving 21 cents or more, as provided by the regulations, only 54·7 per cent actually earned more than 20·9 cents. The failure to pay the minimum wages was even more serious than the above figures indicate as the returns for some Montreal mills are included in the combined figures and, as has already been mentioned, higher rates prevail in the Montreal area. The large proportions of low-paid male workers in Quebec should also be noted. Male workers in 1936 were not directly included under the minimum wage regulations. Recently this situation has been corrected. Under Ordinance No. 5 of the Quebec Fair Wage Board, already referred to, a minimum rate of 18 cents per hour has been set for both male and female workers in the silk industry. The proportion of males receiving less than 12·5 cents per hour was 9·1 per cent and only 60·7 per cent received 21 cents per hour or more. The

Royal Commission on Price Spreads and Mass Buying reported, at page 118, that "in some natural silk mills, wage conditions were deplorable" (in 1934), and in spite of some improvements, this finding was applicable to the conditions in certain mills in 1936. Two companies were specifically mentioned in the Price Spreads Commission as having particularly bad records and we are bound to state that in 1936 the same companies presented among the worst wage records. Employees of the M. E. Binz Co. Ltd., of Montmagny, and of the Associated Textiles of Canada Ltd., of Louiseville, when classified on the basis of hourly earnings, show the following distribution.

SILK DIVISION—DISTRIBUTION OF EMPLOYEES ACCORDING TO HOURLY EARNINGS, FEBRUARY 1936

Hourly Earnings	1936 Quebec Minimum Wage Rates for Outside Montreal	Associated Textiles Ltd.		M. E. Binz Co. Ltd.	
		Males	Females	Males	Females
		Percentages of total employees receiving			
Less than 12½ cents.....	none	6.8	10.4	42.1	6.2
12.5-16.9 cents.....	10%	12.8	37.1	19.0	6.3
17.0-20.9 cents.....	25%	15.3	29.6	13.6	26.6
21 cents and over.....	65%	65.1	22.9	25.3	60.9

Although the average hourly earnings of the female workers in the M. E. Binz Co. Ltd. had advanced from 10.5 cents in 1934 to 19.0 cents in 1936, the wages had not been brought up to the minimum standard as 6.2 per cent were receiving less than 12½ cents per hour and only 60.9 per cent were earning 21 cents and over. In the case of male workers, average earnings had been increased from 13.2 cents per hour in 1934 to 16.6 cents in 1936, but only 22.9 per cent were then receiving 21 cents and over. In terms of weekly earnings, male employees got, on the average \$7.66 in February, 1936, and female workers, \$9.09. During the course of the hearings held by the Commission in Montmagny, it was intimated by company officials that further wage advances would be made as conditions warranted. According to information received from the Company in March, 1937, the wages of the female operatives then conformed to the minimum wage standards, but only 34 per cent of the male workers were receiving 21 cents and over, while 25 per cent were still getting less than 12½ cents per hour.

It might have been expected that the Associated Textiles of Canada, Ltd., a United States controlled company and the largest of the broad silk mills, which had been subject to censure in the report of the Price Spreads Commission, would have taken steps in the intervening period so to improve its wage payments as to prevent further criticism. The records show, however, that average hourly earnings of female workers in 1936, were a little more than a cent above the 1934 level, 18.8 cents compared with 17.6 cents in 1934, while, as the above table shows, 10.4 per cent received less than 12½ cents per hour in 1936 and only 22.9 per cent earned 21 cents or more. In the two week pay period in February, 1936, 27.7 per cent of the male workers averaged less than \$10 a week and 24.2 per cent of the female workers less than \$6 a week. The weekly earnings of all male workers in this pay period were \$13.75 and \$8.28 for the female operatives.

REAL WAGES

The discussion so far has been confined to changes in money wages. But money wages must be considered in relation to the purchasing power of the dollars contained in the pay envelope and their value varies with changes in the

prices of the goods and services which textile workers must purchase. The measurement of changes in the cost of living is extremely difficult and while the Dominion Bureau of Statistics prepares and publishes a cost-of-living index, it is not certain how far changes in the cost of living of low-paid textile workers are accurately reflected in the composite cost-of-living index. For example, rent constitutes an important item in the cost of living for textile workers, yet the rent for cheaper dwellings has not been uniform in the various textile localities. The general cost-of-living index recorded a drop of approximately 25 per cent in rent charges between 1930 and 1934. In Quebec, however, the rent of cheaper dwellings as reported to the Department of Labour declined only 10 per cent, and in fact, in some localities, e.g. Sherbrooke and St. Hyacinthe, the rents reported were higher in 1934 than in 1930. The average rent charged by the Montreal Cottons Limited for its workmen's dwellings in Valleyfield was practically the same during the depression as in 1930. Figures for "real wages" which are secured by dividing money wages by the general cost-of-living index cannot be considered other than rough measures of the changes in the purchasing power of textile wages and although use is made of such figures the limitations mentioned above must not be overlooked.

While mention will be made of "real" hourly earnings, it must be borne in mind that so far as the individual worker is concerned, it is only the purchasing power of the dollars in the pay envelope which is affected by changing prices. If a worker's income is seriously reduced by short-time employment, his real income is not increased by the extent to which his hourly wage rate may be advanced by conversion into deflated dollars.

It is a well-established economic phenomenon that wages rates are not reduced concurrently with rapid declines in the cost of living. It is equally well established that wage rates do not move upward as rapidly as prices. So that, while the real wages of workmen *fully employed* advance in times of falling living costs, their wages lag behind when prices are rising. This latter phenomenon is illustrated in the history of wages in the Dominion Textile Company as given in Exhibit 1211.

	Real Hourly Earnings Dominion Textile Co. (Expressed as a percentage of 1914)
1914..	100.0
1915..	96.5
1916..	93.0
1917..	91.7
1918..	84.1
1919..	88.2

The relative changes in real hourly earnings in the principal branches of the textile industry are shown in Table 50.

50. INDEX NUMBERS OF REAL HOURLY EARNINGS IN PRINCIPAL DIVISIONS OF THE TEXTILE INDUSTRY

(1930=100)

QUEBEC

Division		1930	1934	1936
Cotton.....	M.	100.0	112.0	112.3
	F.	100.0	120.8	130.0
Woollen.....	M.	100.0	121.2	119.9
	F.	100.0	123.2	132.7
Broad Silk.....	M.	100.0	106.4	107.4
	F.	100.0	101.2	108.7
Knit Goods.....	M.	100.0	123.0	125.5
	F.	100.0	118.1	127.0
Hosiery.....	M.	100.0	116.0	124.8
	F.	100.0	117.5	127.5

ONTARIO

Cotton.....	M.	100.0	102.2	108.1
	F.	100.0	118.6	123.0
Woollen.....	M.	100.0	107.7	109.4
	F.	100.0	110.1	112.2
Broad Silk.....	*M.	100.0	110.3	90.7
	*F.	100.0	119.1	98.0
Knit Goods.....	M.	100.0	110.1	111.1
	F.	100.0	110.0	112.0
Hosiery.....	M.	100.0	117.8	112.6
	F.	100.0	121.6	126.7

* As hourly earnings are not available for 1930, weekly earnings have been used to determine changes in real wages.

Counsel for the industry stressed the fact that real hourly earnings of textile workers increased during the depression, but consideration of wages must not be restricted to one phase of the business cycle. The following observation contained in a letter dated November 22, 1932, from Mr. H. Barrett, of Dominion Woollens and Worsteds, Ltd., to Mr. A. O. Dawson, might be applied equally well to other divisions:—

“In the woollen and worsted branch of the textile industry, wages never rose to a very high level, even in the most prosperous times, and consequently the economies which can be effected in other industries by wage reductions cannot be effected in our case.”

Changes in real wages in the textile industry must be viewed in relation to the changes in wages in Canadian manufacturing industries during the same period. The Federal Department of Labour prepares annually a report entitled “Wages and Hours of Labour in Canada,” from which it is possible to derive indices of real wages for certain classes of factory labour. The indices relate principally to changes in the wages of male factory workers.

CHANGES IN REAL WAGES
(Expressed as a percentage of 1930)

	Common Factory Labour	Miscellaneous Factory Trades
1930.....	100.0	100.0
1934.....	114.4	112.5
1936.....	117.3	114.7

A comparison of the changes in the real wages of common factory labour with those for male workers in the textile industry reveals that only three groups show a greater advance in real wages than common factory labour and these three groups are in Quebec. A reference to preceding tables shows that these three divisions in Quebec had considerably lower hourly earnings in 1930 than those which prevailed in Ontario.

Real wages of female workers in 1936 show a considerable advance over the 1930 level. The increases in Quebec are much higher than in Ontario. This is due, in part to the revision in 1935 of the Quebec minimum wage order governing textile manufacturing. The minimum scales were adjusted to a 48-hour week from the 55-hour basis established in 1928, and this resulted in an advance in hourly rates of approximately 12½ per cent. The greater part of the increase in real hourly wages of female employees in Quebec and Ontario is due to the regulations of the Minimum Wage Boards.

WAGES IN CANADA, UNITED STATES AND GREAT BRITAIN

International comparisons of wages are extremely difficult to make, particularly if there are wide differences in mode of living, government regulations, provision of social insurance, etc. Even between Canada and the United States, countries with similar industrial structure, comparisons of wages cannot be made without bearing in mind such factors as the cost of living, the geographic situation and the conditions of employment. Between Quebec and the industrial Southern States there are wide climatic and cultural differences which directly affect the real income of textile workers in the two localities.

The following table shows the trend in hourly wages in Quebec and Ontario and the average for North and South in the United States. The reduction in hours in the United States following the establishment of the textile code in 1933, should be kept in mind.

51. AVERAGE HOURLY EARNINGS IN THE COTTON AND WOOLLEN DIVISIONS OF
THE TEXTILE INDUSTRY, QUEBEC, ONTARIO AND THE UNITED STATES,
FEBRUARY 1926 TO 1936

Year	Quebec		Ontario		United States	
	Cotton	Woollen	Cotton	Woollen	Cotton	Woollen
	cents	cents	cents	cents	cents	cents
1926.....	26.5 (a)	26.7	29.4 (a)	33.8	32.6	47.9
1930.....	27.4 (a)	27.7	31.8 (a)	34.8	32.4	48.7
1932.....					26.3	42.2
1933.....	28.1 (b)	26.1 (b)	30.9 (b)	31.3 (b)	22.0	34.7
1933, August.....					35.8	43.3
1934.....	25.5 (b)	26.6	29.0 (b)	30.2	37.2	48.6
1936.....	26.6	27.8	30.4	31.4	26.7	49.4

(a) Partly estimated.

(b) Data from Price Spreads Commission.

Average hourly earnings of cotton operatives in both Quebec and Ontario were below the average for the United States, as a whole, from 1926 to 1930.

With the onset of the depression, hourly wages in the United States were greatly reduced and remained at a low level until the establishment of the Cotton Code under the N.R.A. in August, 1933, when hourly rates of wages were advanced sharply, the greatest increases being made in the Southern States. The figures in the foregoing table show that in the pre-code period the average hourly earnings for the United States as a whole were below the levels prevailing in Canada at that time. Hourly earnings of workers in the Southern States dropped considerably below the Quebec level in this period and hourly wages in northern mills were slightly lower than in Quebec for a time.

It has been a general contention of the Canadian cotton industry over a considerable period of years that while wages in the northern mills of the United States have been higher than in Canada, according to the following statement which appeared in a brief presented by the Canadian Cloth and Yarn Mills before the Advisory Board on Tariff and Taxation, 1927, "the most serious competition comes from the Southern States where it is known that wages and other manufacturing costs are substantially lower than in Canada." Since the adoption of the cotton code under the N.R.A. in 1933, hourly wages for both males and females in southern mills have been higher than the average in Canadian cotton factories. The following table comparing earnings in August, 1934, in the United States and February, 1936, for Ontario and Quebec gives some indication of the difference in wages between the two countries. In both Canada and the United States wages are now higher than for the periods mentioned:—

52. AVERAGE HOURLY EARNINGS, UNITED STATES, AUGUST, 1934 AND ONTARIO AND QUEBEC, FEBRUARY, 1936

	United States		Ontario	Quebec
	North	South		
	cents	cents	cents	cents
Males.....	44.7	36.9	32.5	28.0
Females.....	38.5	33.1	26.5	23.5
Both sexes.....	42.2	35.6	30.4	26.6

Although low-paid southern labour has now been removed as a competitive factor in cotton imports from the United States by reason of the great increase in wage rates in the Southern States since 1933, it is of some interest to attempt to determine the extent to which this factor was significant in earlier years. The record of the Dominion Textile Company, as given in Exhibits 1211 and 1367, enables a comparison to be made of average earnings in the mills of this company with the average for the United States as a whole.

53. AVERAGE EARNINGS OF EMPLOYEES IN THE MILLS OF THE DOMINION TEXTILE COMPANY AND IN THE COTTON GOODS INDUSTRY IN THE UNITED STATES

Date	Hourly Earnings		Weekly Earnings	
	Dominion Textile Company	United States	Dominion Textile Company	United States
	cents	cents	\$ cts.	\$ cts.
1914.....	14.3	15.3		
1920.....	29.2	48.0		
1926.....	26.9	32.8	12.69	15.91
1930.....	28.4	31.9	12.63	14.51
1932.....	28.9	24.0	11.90	10.83
1935.....	27.4	37.7	11.69	13.04
January, 1937.....	29.3	39.0	14.72	15.43

In January, 1937, the employees of the Dominion Textile Company worked approximately 50 hours per week to earn an average of \$14.72, while mill hands in the United States worked slightly less than 40 hours to earn \$15.43. The average for the United States cover both northern and southern mills.

As the foregoing analysis relates only to one company in Canada and to both northern and southern mills in the United States it is of some value to attempt a comparison of average earnings between the several producing areas in both countries in the pre-depression period.⁽¹⁾

54. COMPARISON OF HOURLY EARNINGS OF COTTON OPERATIVES IN THE UNITED STATES AND CANADA, 1926 AND 1930

—	UNITED STATES (a)		CANADA			
	1926	1930	All Employees (b)		Selected Occupations (c)	
			1926	1930	1926	1930
Male..... Female..... Both Sexes.....	North		Ontario			
	44.4	43.3	33.3	36.3	31.5	35.5
	37.0	35.6	25.4	26.7	25.4	26.7
	40.6	39.6	29.4	31.8	28.0	30.3
	South		Quebec			
	28.7	30.1	29.8	30.5	28.7	29.0
Male..... Female..... Both Sexes.....	23.1	24.2	22.5	22.8	22.5	22.8
	26.6	27.9	26.5	27.4	25.1	25.2
	All States		Canada			
Male..... Female..... Both Sexes.....			(Including Maritime Provinces)			
	34.7	34.6	31.1	32.5		
	30.1	29.3	23.5	24.3		
	32.8	32.5	27.5	29.0		

(a) Not including dyeing or finishing departments. Averages calculated from data in Bureau of Labor Statistics Reports Nos. 446 and 539.

(b) Including dyeing and finishing departments. Estimated in part.

(c) In grey mills.

A study of the above table leads to the following conclusions:—

(a) Hourly earnings for males and females in northern mills were considerably higher than in the Southern States and in Canada.

(b) Hourly earnings in Ontario for both males and females were lower than in the Northern States by considerably more than they exceeded average earnings in southern mills.

(c) Hourly earnings of male employees in Quebec were considerably lower than in the northern mills in the United States and were approximately the same as in the southern mills. Hourly earnings of females, on the other hand, were lower in Quebec than in the southern mills.

(d) Average hourly earnings for Canada were lower than for the United States, the difference being greater for females than for males.

The woollen industry in the United States is located almost entirely in the Northern States. The hourly earnings of woollen employees have been consistently higher in the United States than in Canada, but during the depression, weekly earnings, on account of short time, were lower in the United States mills.

In international comparisons of weekly wages, due account must be taken of the length of the working week. With the exception of the woollen division of

¹ See U.S. *Monthly Labor Review*, "Regional Differences in Cotton Textile Wages." January, 1938.

the textile industry, workers in Great Britain have had a standard work week of 48 hours in the post-war period. In the United States, hours of work were progressively shortened in the Northern States, prior to the depression, but remained at approximately the same standard in the Southern States as in Canada until the establishment of the Cotton Textile Code in 1933, when the work week was limited to 40 hours in both the North and South. This standard has been fairly well maintained in the United States in recent years.

55. AVERAGE WEEKLY EARNINGS IN THE TEXTILE INDUSTRY IN QUEBEC, ONTARIO, UNITED KINGDOM AND THE UNITED STATES—1929-1936

DIVISION	QUEBEC			ONTARIO			UNITED STATES			UNITED KINGDOM (a)		
	1930	1934	1936	1930	1934	1936	1930	1934	1936	1929	1933	1936
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Cotton.....	9 98	9 91	10 64	14 22	12 99	13 51	15 24	12 98	13 59	8 42	7 69	8 18
M	11 70	10 97	11 57	16 33	14 11	14 69	North South	14 48 10 29	.....	.....	.....	12 07(b)
F	8 92	8 83	9 57	12 73	11 79	12 13	North South	12 18 9 19	.....	.....	.....	6 96(b)
Wool.....	13 69	12 34	13 82	15 30	14 96	15 40	21 07	17 23	18 18	9 54	8 95	9 30
M	16 90	16 19	16 45	19 27	17 66	18 04	North South	17 58 11 94	.....	.....	.....	12 51(b)
F	9 50	9 71	10 36	11 37	11 72	12 17	.....	.....	.....	.....	.....	7 59(b)
Silk and Rayon.	15 53	11 79	11 28	20 21	14 84	13 49	21 11	17 86	14 44	.....	.....	.....
M	18 55	13 85	12 60	22 85	17 13	16 65	.....	.....	.....	.....	.....	.....
F	12 68	9 31	9 34	17 33	13 32	11 20	.....	.....	.....	.....	.....	.....

(a) English currency converted at par.

(b) Adults.

EMPLOYMENT AND UNEMPLOYMENT

Representatives of the industry appearing before the Commission laid considerable emphasis upon the provision of employment in the textile industry during the depression years. The significant figures in this connection may be taken from the Textile Manual, 1937.

56. NUMBER OF EMPLOYEES IN PRINCIPAL DIVISIONS OF THE TEXTILE INDUSTRY, 1929-1936

Year	Total	Cotton	Hosiery and knit goods	Woollen and worsted	Silk and rayon	Dyeing and finishing	Cordage, rope and twine
1929.....	56,246	22,087	19,048	8,404	4,372	967	1,368
1930.....	51,783	18,590	18,165	7,710	5,393	847	1,058
1931.....	51,571	17,577	17,698	8,208	6,273	847	968
1932.....	51,855	16,818	17,655	8,586	7,036	762	998
1933.....	54,556	17,885	17,159	9,832	7,801	864	1,015
1934.....	59,755	20,029	17,978	10,636	9,220	940	952
1935.....	62,004	20,248	18,511	11,159	10,088	997	1,001
1936.....	63,874	20,224	19,439	11,971	10,189	1,025	1,036

Employment in the textile industry declined from 56,246 employees in 1929 to 51,783 in 1930. The aggregate number of workers remained at this low level in 1931 and 1932, but in 1933 an upward trend was shown which resulted in the total employment rising above the 1929 level by some 3,500 employees in 1934 and some 7,000 in 1935. This recovery in employment was due largely to increases in the woollen and the silk divisions of the industry, as employment in

1935, in the cotton, knit goods and cordage divisions was below the 1929 level. Further increases in employment were recorded in 1936 and also in 1937, as shown by Table 26 in Chapter V.

The following table, based on figures published in the Textile Manual, 1936, shows the trend in number of employees, salaries and wages, in the Primary Textile industry, for a period of years.

57. NUMBER OF EMPLOYEES AND SALARIES AND WAGES PAID IN THE PRIMARY TEXTILE INDUSTRY, 1926 TO 1936

Year	Number of employees	Salaries and wages
		\$
1926.....	49,801	40,206,551
1927.....	52,981	44,526,414
1928.....	55,480	47,876,959
1929.....	56,246	48,637,326
1930.....	51,783	42,912,549
1931.....	51,571	43,155,484
1932.....	51,855	41,423,106
1933.....	54,556	41,736,951
1934.....	59,755	46,882,153
1935.....	62,004	48,825,837
1936.....	63,874	52,438,216

The numbers employed in an industry do not give any indication of the extent of full-time or partial employment that may be offered the workers on the pay-rolls. From the results of the Seventh Decennial Census, it is possible to determine the average amount of employment which was given workers in the textile industry in the year ending June 1, 1931.

58. AVERAGE NUMBER OF WEEKS EMPLOYMENT IN TEXTILE AND ALL MANUFACTURING INDUSTRIES DURING CENSUS YEAR, 1931

	Weeks employed	
	Males	Females
All manufacturing industries.....	41·01	43·52
Textile products—not clothing.....	43·27	42·89
Cotton goods.....	41·81	41·86
Hosiery and knit goods.....	43·72	43·00
Silk and silk goods (including rayon).....	46·19	45·42
Woollen and worsted.....	43·12	42·09

Short-time employment is reflected not only in the number of weeks worked but also in the number of hours worked per week. No general statistics are available for the actual hours of work of textile operatives over a period of years, but the trend in weekly hours for the largest cotton company will give some indication of the changes in this branch of the industry during the depression.

Fiscal Years Ending March	Dominion Textile Company
	Average weekly hours of work of grey mill employees
1929.....	47·6
1930.....	46·1
1931.....	44·5
1932.....	43·8
1933.....	41·2
1934.....	45·3
1935.....	43·0
1936.....	42·6

The general movement of employment in the textile industry in Canada may be compared with the trend revealed in employment statistics for the United Kingdom and the United States, the two principal suppliers of textile products to Canada.

59. COMPARATIVE FLUCTUATIONS IN EMPLOYMENT IN THE TEXTILE INDUSTRY IN CANADA, UNITED STATES AND THE UNITED KINGDOM FROM 1927-1937

1927=100

Countries and Industries	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	July 1937
<i>Canada—</i>											
Cotton (yarn and cloth)....	100	98	91	80	75	74	72	84	85	90	101
Wool (yarn and cloth)....	100	104	101	90	100	108	115	123	134	142	143
Silk and silk goods.....	100	100	100	125	143	172	184	223	248	250	253
Thread, yarn and cloth....	100	101	97	90	91	97	98	113	118	123	130
Hosiery and knit goods....	100	102	112	106	104	108	108	115	117	122	126
Textile products.....	100	101	102	97	93	93	93	103	108	113	121
All industries.....	100	107	114	107	97	82	80	92	95	99	114
<i>United States—</i>											
Cotton goods.....	100	90	91	76	70	63	81	86	83	88	96
Cotton smallwares.....	100	100	102	86	86	76	88	95	99	101	106
Wool and worsted goods....	100	96	95	77	77	64	82	76	100	95	93
Silk and rayon goods.....	100	100	102	94	86	73	87	87	85	77	79
Textile fabrics.....	100	95	98	85	79	71	85	89	92	93	97
Knit goods.....	100	100	88	100	94	92	100	105	110	113	113
Total textiles.....	100	97	101	89	84	75	87	91	95	97	96
All industries.....	100	100	106	92	78	66	73	83	87	93	103
<i>United Kingdom—</i>											
Cotton.....	100	99	99	100	98	92	89	83	79	75	73
Wool.....	100	101	100	100	100	97	96	96	93	93	93
Silk and artificial silk....	100	131	138	146	135	131	130	136	146	150	151
Hosiery.....	100	103	106	108	113	115	115	118	116	119	120
All industries.....	100	99	102	98	94	93	97	101	103	108	115

TECHNOLOGICAL UNEMPLOYMENT

The extent to which the re-organization of work and increased mechanization in textile plants have resulted in the displacement of labour cannot be definitely determined. If the changes are introduced gradually, it is possible that operatives displaced from one occupation may be absorbed elsewhere. The majority of workers appearing before the Commission told of increasing work-loads and the reduction of working force during the depression period. There was a clear indication from the evidence of the workers that they felt themselves entirely at the mercy of the management in these matters. It would appear that considerable improvement in the morale of the labour force might result if the workers were informed of the proposed changes in machinery, work-loads, etc., and their co-operation sought in arriving at improvements in the organization of the work. The Commission expert found only a few instances in which the work required of operatives appeared unduly heavy. The complaints of larger work-loads probably arise as much from the fear of loss of position as the manufacturing operations are reorganized, as from the increased attention required in the operation of a larger number of machines. Nevertheless some evidence was given the Commission that the increased installation of automatic machinery and the shifting of subsidiary activities from skilled to unskilled operatives have resulted in the displacement of some skilled operatives. Considerable reorganization of work was carried out at the plants of the Montreal Cottons Ltd. in the period subsequent to 1929. The following figures taken from exhibits 954 and 955 illustrate the displacement of skilled operatives by unskilled workers in the weave room.

	1929	1930
Production.....	37, 227, 204 yards	33, 308, 739 yards
Number of weavers.....	514	331
Number of battery hands.....		125
Other operatives.....	173	269
Total operatives.....	687	725
Wages per 1,000 yards.....	\$14.89	\$13.80

In this case we find the number of weavers was reduced from 514 to 331 and while the total number of workers increased the additions were mainly among unskilled and low-paid operatives.

The increasing specialization in the work of cotton operatives and the subsequent reduction in the proportion of skilled workers narrows the opportunities for advancement for younger workers. The Commission expert makes the following comment on this situation which, of course, was rendered more acute in the cotton division during the depression:—

“A serious problem is the growing up of young boys and girls on unskilled operations such as battery hands and doffers. They develop high skill, and in a few years are grown up; but as conditions are now there is no room for them on the more highly skilled operations carrying higher wages, which would be more suitable for these older boys and girls.”

The condition of labour in textile factories call for the more forcible application of existing provincial labour legislation and the adoption of more advanced regulations governing conditions of work and terms of employment. The desirability of having relatively uniform labour standards in the various provinces is also apparent.

The physical conditions of work in textile factories should be carefully regulated by the appropriate authority under the provisions of factory legislation. The amount of moisture permitted in the work rooms, the degree of heat, the nature of the ventilation system and the presence of dangerous fumes should not be left to the discretion of management, but should be subject to careful regulation. As it is now, factory inspectors examine into such matters, but it is far from certain how carefully they are guided in their inspection by adequate scientific examination of conditions. In Great Britain, under the Cotton Cloth Factories Act, 1929, regulations were issued limiting the amount of moisture permitted in cotton weaving and prescribing the method for the introduction of steam and for ventilation. In Quebec, regulations have been issued by the Board of Health laying down a scale for heat and humidity in establishments where work necessitates the introduction of steam into the air. No reference was made to the application of this scale during the course of the inquiry and it apparently represents the only effort which has been made in any province for the definite regulation of the atmospheric conditions in cotton factories. The presence of large numbers of young persons in the textile industry requires, as we have already suggested, the most careful medical attention.

Although the textile executives who appeared before the Commission generally testified that their policy was not to engage workers under 16 years of age, it is clear that, either through falsely representing their age or because of special circumstances, children under 16 years of age do find employment in the industry. It would appear necessary that regulations should be adopted which would throw greater safeguards around the employment of children.

Hours of labour in most divisions of the textile industry in Canada are, as has already been pointed out far longer than those prevailing in the textile industry in other western countries. In June, 1937, the International Labour Conference adopted a draft convention which the Canadian Government and

Workers' delegates supported, providing for a 40-hour week in the textile industry. Nevertheless, the fact remains that hours in most Canadian factories run from fifty to fifty-five a week.

It has been possible to present in this section only summary statistics on wages and employment in the textile industry. Further statistics on labour and wages will be found in the appendix.

INDUSTRIAL RELATIONS

The textile industry in Canada has stood throughout its history on a basis of individual as opposed to collective bargaining. The post-war period down to the appointment of this Royal Commission, while it was productive of shop committees in some plants, was devoid of any effective association of workers and, therefore, of effective machinery for collective bargaining. The attitude of the employer as a whole toward bargaining with unions was distinctly negative at the time public sittings of this Commission were being held.

The failure to organize the workers in the industry in the past is due not only to the opposition of the employers, but also to the nature of the industry itself. The textile industry, as has been shown in the preceding section, employs a much larger proportion of females and young workers than does manufacturing industry in general. The difficulties of developing responsible labour unions are much greater in such an industry, particularly when it is characterized by relatively low wages. It has also been pointed out that the primary textile industry has a large proportion of unskilled or semi-skilled workers and consequently it has been impossible effectively to organize the industry in craft unions, which until recently have been the characteristic type of labour union on this continent.

Difficulties of organization due to the characteristics of the labour force have been augmented by the growth of large industrial undertakings during the present century. It has been pointed out in Chapter II that the textile industry in Canada developed largely out of local undertakings, which as time went on, came more and more under the control of a few large corporations. As long as the factories were small and operated by the owners, the relations between employer and employees were relatively close and while wages might be low, the owner could scarcely avoid accepting direct responsibility for the working conditions and welfare of his employees. The development of joint stock companies and the wide diffusion of share capital has led to the separation of management from ownership and has likewise led to impersonal relations between the shareholder and the wage-earners in many divisions of the textile industry. The majority of textile workers no longer have direct access to the owner of the factories in which they work, but must make such representation as they can through the various foremen and superintendents who constitute the factory management of the company. The worker thus feels that as an individual he can no longer hope to play any part in bargaining for his conditions of employment, and that only through joint action with his fellow-workers can he establish bargaining equality with the large corporation.

The Royal Commission on Industrial Legislation in the Union of South Africa gave the following finding on the position of trade unions in modern industry:—

"It is now generally recognized that the trade union movement is almost an indispensable part of our social structure. In these days, when the employees in a single workshop often number many hundreds, the arrangement of individual contracts of service would present many administrative difficulties, and for this reason alone many employers have adopted the policy of encouraging their employees to link up with unions thus paving the way for collective bargaining. The better type of employer also appreciated the fact that well-organized and well-disciplined trade unions can do much to reduce evasion of industrial legislation by eradicating collusion between employees and the less reputable type of employer. Generally speaking, the capacity of an individual worker to bargain for fair conditions of employment is very limited, and is becoming more so with the development

of industry into large-scale methods of production. Collective bargaining, however, tends to place the employee on a basis of equality with the employer in negotiations."

The changing relationship between employer and employee and the necessity for establishing relatively uniform labour standards throughout an industry has brought to the fore the question of more effective labour organization. In spite of the active or passive opposition of employers, labour continues to organize, achieving some success in periods of prosperity and suffering reverses when the tide of business turns. The development of labour unions without the sympathetic understanding of management leads to serious industrial conflicts and to waste of economic resources, which are borne not only by the industry but by the country at large.

HISTORY OF TEXTILE UNIONISM

As reference was made during the course of the inquiry to the development of labour unions in the United Kingdom, some consideration must be given to the results of labour organization in that country. Textile unions in the United Kingdom date back to the middle of the last century and as early as the 1830's spinners and weavers were playing their parts in the turbulent trade union movement of that day.

During 1880, the amalgamation of cotton spinners and weavers were, along with the amalgamated societies of engineers, carpenters and iron workers, the stablest element of trade unionism. Sidney and Beatrice Webb, dealing with textile organization in 1892 in their *History of Trade Unionism*, draw a picture of some 200,000 trade unionists confined largely to the cotton industry showing a strong preference for federal associations as a form of organization and their emphasis centering on trade objects.

"...The powerful Amalgamated Association of Operative Cotton Spinners (established 1853) a federal union of 19,500 members comprising forty separate district associations, joined with its sister federations, the Northern Counties Amalgamated Association of Weavers (established 1884, 71,000 members) and the Amalgamated Association of Card Blowing Room Operatives (31,000 members, established 1886), in the United Textile Factory Workers Association (established 1886). This Association formed exclusively for Parliamentary purposes, focused the very considerable *political* influence of 125,000 organized cotton operatives in Lancashire, Cheshire and Yorkshire, and was, next to the Miners' Federation, by far the most powerful Trade Union organization in the country."

It is pertinent to remark that the British cotton operatives have always adhered to protecting the standard of life of their members by legislation, as a leading principle of trade unionism. In this they are to be contrasted with such British organizations as the Engineers and the various building trades. Doubtless, one of the reasons for this emphasis is the fact that the industry is localized in a comparatively small number of counties.

The nature of collective bargaining in Lancashire is only understood through reference to the intricacy of calculations necessary to the elaboration of the piece rate "lists," and still more, to computing the exact effect of each projected change in rates in any of the numerous factories. The complexity of these calculations has resulted in the development of a peculiar type of trade union official, "keen, astute and alert-minded—a combination in the Trade Union World," say the Webbs, "of the accountant and the lawyer." These officials have for three-quarters of a century been chosen for their task by competitive examinations, to quote again from the Webbs.

"Under such guidance the Lancashire cotton operatives achieved extraordinary success. Their first task was in all districts to obtain and perfect the lists. The rate and method of remunerating being in this way secured, their energy was devoted to improving the other conditions of their labour by means of appropriate legislation. Ever since 1830 the Lancashire operatives, especially the spinners, have strongly supported the legislative regulation of the hours and other conditions of their industry."

The application of the various piece rate lists in the cotton industry involves more than the mere calculation of wages from the published lists; it also involves allowances to the operative for poor material or old-fashioned machinery and allowances to the employer for improvements he may make. Conferences of the cotton experts have to do chiefly with interpretation—application to particular jobs or particular process—of existing general agreements accepted by both sides. The conclusion or revision of the general agreement calling for Collective Bargaining, necessitates bringing together a joint committee composed of a number of representatives of each side. The District Union and the District Employers' Association revise the details of their lists in periodical conferences but leave all matters relating to particular mills to the Secretaries of District Unions and District Employers' Associations. Questions other than the altering of technical details, such as general reduction or advance of wages throughout the trade, or general shortening of hours are dealt with by the combined representatives of the employers attended by their agents and solicitors and the central executive of the amalgamated association concerned. These latter meetings are very rare as the tendency is to tamper with the list as little as possible.

The Brookland Agreement which covered the spinning trade from 1893 to 1905 was terminated by the Unions. They held, at that time, "its machinery worked slowly and in such a way as to hamper the operatives in obtaining the advantages of good times." Other agreements, however, followed in due course.

In recent years the cotton industry has suffered from depressed conditions which led to a series of disputes, involving the observance of the 48-hour week, the question of the number of looms per weaver and problems of reorganization. The employers in some cases argued that the restrictions imposed by trade unions hindered the development of more efficient means of manufacturing, while the unions opposed any marked change in the agreements until the claims of employers that benefits would be both profitable to the workers and the industry had been established. These conditions have led to the further search of means to re-establish satisfactory collective bargaining and especially for more adequate machinery to insure the maintenance of established trade agreements.

The Cotton Manufacturing (Temporary Provisions) Act of 1934 made it possible to give the force of law to the wage provisions of the trade agreements relating to the weaving trades, and thus prevent unscrupulous employers from evading the agreements. Another method which has been used to some extent has been the establishment of trade boards under the Minister of Labour, such boards consisting of independent members as well as representatives of the employers and operatives, for the fixing of rates when the parties themselves failed to reach an agreement.

English textile unionism, therefore, employs forms calculated to preserve a high degree of autonomy for trade purposes in its various regional and functional parts, yet capable of focusing authority in considerable measure. Its chief dependence is upon trade agreements of the comprehensive type, in which it has a long and honourable experience. Its efforts to operate and maintain trade contracts has led to a large use of machinery for conciliation and arbitration.

Unions do offer some hindrances in the rapid carrying through of technological changes and rearrangements affecting hours where they feel that such changes are likely to operate against their interest. They withdraw such objections when it is demonstrated they are wrong.

It may be useful here to sum up the main features of collective bargaining in the textile industry in Great Britain as it has developed during the past century. The essential feature is that British employers recognize the unions as the spokesmen for labour and have, for generations, accepted the principle of collective bargaining. In the course of conversation I asked the Vice-President

of the Master Spinners Association (an organization of employers) what law, if any, gave force to collective agreements. His reply was "collective bargaining is governed by the law of common sense." In the United Kingdom, the conduct of affairs between employers and employees involves the processes of representatives of the two parties meeting in conferences and working out an agreement covering labour conditions, or, failing to reach an agreement, proceeding normally to use some means of conciliation.

The development of trade agreements is influenced and guided by technical experts who have been brought up within the unions and subjected by them to impartial examinations before being permitted to act as experts in interpreting the piece rate "lists" or in determining the nature and extent of "allowances." These experts, acting with respective spokesmen for the two parties, make possible the achievement of intelligent results in the bargaining processes and the attainment of a satisfactory agreement provided the basic positions of the employers and employees are reconcilable. In the United Kingdom considerable use has been made of conciliation, both through voluntary machinery provided by the parties themselves in their trade agreements, and, when such has proved unsatisfactory, through conciliation boards or committees, provided under legislative enactments. Arbitration has also been made use of when methods of conciliation have failed.

This outline of industrial relations in the textile industry in the United Kingdom seems to indicate the logical development of organization both on the part of employers and employees. The issues are no longer settled by one party but are determined in most cases as the result of amicable agreements between organized groups of workmen and employers.

TRADE UNIONS IN CANADA

Labour unions of any character were practically unknown in the Canadian textile industry until as late as 1905. The period of prosperity in the industry which commenced about that time witnessed the development of the "Federation of Textile Workers," which was affiliated with the "National Trades and Labour Congress," the predecessor of the "Canadian Federation of Labour," which included only national unions. In 1906, after a labour dispute in one of the cotton mills in the Province of Quebec, the Federation of Textile Workers abandoned its Canadian affiliation and became part of the "United Federation of Textile Workers of America." Wage increases were granted during 1906 and 1907, some as the result of organized demands by the labour unions, and these successes probably encouraged the growth of the unions. At all events, towards the latter part of 1906, 14 locals of the United Federation of Textile Workers of America had been formed. The connection with the international union was not maintained for long and within a year the Canadian locals formed a new national federation and adopted the title "Federation of Textile Workers of Canada." Throughout the year 1907 the federation continued to grow and to extend its jurisdiction and influence. In the following year, differences developed among union leaders in the Federation and this division in the ranks, together with the depression in the textile trade, brought on a distressful strike and led eventually to the serious weakening of the unions. Various locals of the Federation continued to function down to the War, but never again as forcefully as in the brief period in 1907.

The record of union membership published by the Federal Department of Labour shows that in 1912 the Federation of Textile Workers of Canada had five locals, three in Montreal and two in Magog, with a total membership of 724. Between 1914 and 1918 it had from two to five locals, the membership being somewhat over one thousand. The United Textile Workers of America with which most of the Canadian locals had been affiliated prior to 1910, when the

international organization was known as the United Federation of Textile Workers of America, had only two locals in Canada in 1911, one at Peterborough, Ontario, and the other at Guelph. Between 1916 and 1920 locals were organized in Ontario and Quebec, and also in New Brunswick, bringing the membership up to 2,524, as reported to the Department of Labour. During 1919 a number of labour disputes occurred in the textile industry, the more important of which involved workers in the Montreal and Montmorency mills of the Dominion Textile Company. In 1919, the two remaining locals of the Federation of Textile Workers of Canada were absorbed in the United Textile Workers of America.

Organization among the textile workers reached the high point of some 20 locals in 1920, but during the ensuing depression membership dwindled and many of the locals disappeared. This period, however, witnessed the development of a new form of labour organization, namely Les Syndicats Nationaux Catholiques, which held their first convention in 1919. No separate organization of textile workers is recorded by the Department of Labour in that year, but in 1920, three local unions were reported at St. Hyacinthe, Montreal and Sherbrooke. In 1926, La Fédération Nationale Catholique du Textile was formed to unite the various locals and this organization apparently continued until 1930 after which no further reference is made to it until 1936, although several of the local unions continued to be reported.

Organization among textile workers must, therefore, be said to have become of relatively minor importance during the late 20's and to have been even more seriously weakened during the depression. The adoption of the N.R.A. in the United States in 1933, led to more forcible organization work on the part of the United Textile Workers of America, which, while it had no immediate effect upon labour organization in Canada, nevertheless formed the background for the more active work of organization which was to be undertaken in Canada, commencing in 1935. Organization among textile workers in Canada when the Commission commenced its hearings, early in 1936, was still of a very rudimentary character. Locals of the United Textile Workers of America prior to that time had dwindled to two, one of which was reported in Milltown, N.B., and the other in Vancouver, B.C. A local of some importance had recently been organized in Three Rivers, Quebec, and representatives of this union appeared before the Commission during its inquiry in that city. Later on, in the same year, as a result of an industrial dispute in Cornwall, Ontario, a rayon workers' union was formed as a local of the United Textile Workers of America. The Commission also found evidence of attempts to organize locals of the United Textile Workers at various points in Ontario, while in the Province of Quebec active steps were being taken to revive La Fédération Nationale Catholique du Textile. The result of this active organization work in both Ontario and Quebec became evident in the following year when organized demands were made upon employers by unions in the two provinces. The refusal of the employers to treat with organized labour led to widespread disputes which will be discussed in some detail below.

Before proceeding to examine in detail any of the labour disputes which have been referred to the Commission or those which have taken place since the conclusion of the public hearings, it is necessary to set forth the attitude of textile employers toward labour organizations, as indicated by oral evidence given to the Commission, or in exhibits which have been filed. An official statement by the Dominion Textile Company was published in the newspaper *La Tribune* at the time of the revival of the Catholic Union in the City of Sherbrooke, and reads as follows:—

"The attitude of the Dominion Textile Company Limited in respect to Labour organizations should be made plain to all concerned. Our employees are free to join a Labour organization if they desire to do so, and if there is any choice in the matter, it seems more fitting that they should join an organization which is not dominated and controlled

by foreign elements. It must be clearly understood, however, that membership in any labour organization, so far as our employees are concerned, does not confer on them any rights or privileges in their relations with the Company which they do not already possess. Our employees at all times are entitled to make representations to the management in any cases where they consider their interests are not receiving proper consideration. The company will not permit any third party to interfere between the management and the employees or to take away from the employees their rights as individuals to deal with the company."

The following excerpts from the evidence indicate the attitude of management in some other companies toward any effective organization on the part of employees and to the establishment of collective bargaining.

Mr. C. R. Whitehead, President, Wabasso Cotton Co. Ltd.

"The men can belong to any union if they like. We do not ask a man if he belongs to a union, or what his religion may be, but the Board of Directors refuse to recognize the Union, any Union."

Mr. W. J. Whitehead, General Manager, Wabasso Cotton Co. Ltd.

"I said no. The company will not enter into any agreement with any union whatsoever."

Mr. W. P. MacDougall, General Manager, Belding-Corticelli Ltd.

"We have no objection whatever to our employees joining any kind of organization they feel so disposed to.

"I don't think we would be prepared to consider dealing with any organization.

"Because we would very much prefer to deal with them as individuals.

"Because there are always people who get in control of these things, or it seems to be the case, who have very radical ideas, imaginary ills or problems."

Mr. Marx, President, Associated Textiles of Canada Limited.

"Mr. McRUER—Q. I want to get your attitude if the employees in their own interest and their own judgment organize into a trade union, are you prepared to deal with the union as representative of the employees?

"Mr. MARX—A. At the present time, no.

"Mr. McRUER—Q. Why do you put it at the present time?

"Mr. MARX—A. I may be forced to change my mind, I don't know.

"Mr. McRUER—Q. That is your attitude at any rate?

"Mr. MARX—A. That is my attitude, correct."

The answers of other company officials who were questioned as to their opinion about unions were either negative or evasive.

Mr. Binz, President of the M. E. Binz Company Limited, at Montmagny, Quebec, was the only company executive to express a frankly favourable attitude towards unions. His evidence on this point is as follows:—

By Mr. Binz:

"Then, the question has been raised previously in this investigation about unions. Mr. Lauffer made a statement, and I shall answer it. I am very happy to see the unions because the unions will look eye-to-eye with us on many questions. The unions were instrumental in England in reducing the units for working. If the unions out here can accomplish that they have not only helped themselves but they have helped the industry in general.

By Mr. McRuer:

"Q. I intended to ask you that question, Mr. Binz.—A. I am not familiar with court room things, I am just a manufacturer.

"Q. It is quite all right. I just want to make it clear so that we may absolutely understand one another as to your attitude toward unions; your attitude is that you welcome them?—A. I should hope so.

"Q. Among the men because you feel that they are working in the interest of labour and the interest of labour after all is the interest of the manufacturer?—A. We as manufacturers, Mr. McRuer, we have got the right to organize ourselves. Isn't it right that labour should have the same right?

"Q. That is a very fair way of putting it?—A. I believe I will be criticized for what I say, but I say it just the same."

THREE RIVERS STRIKE

The first labour dispute investigated by the Commission was that which had occurred at the mill of the Wabasso Cotton Company Limited at Three Rivers, Quebec, in February, 1936. The strike had been called off by the workers and work was resumed on March 2, on the assurance that the Commission would conduct an inquiry into the workers' grievances and into the affairs of the company.

The hearings held in Three Rivers revealed that the labour dispute in February was to a considerable extent the recrudescence of a strike which had occurred in the same plant on August 26, 1935, against the action of the company in replacing a certain number of men by girl-workers. The strike in 1935 occurred before the formation of any union and was a spontaneous outbreak by a group of workers who enlisted the sympathy of a large number of their fellow-employees. The strike in 1935 was settled as the result of efforts by the Mayor of Three Rivers and work was resumed on August 28, after an undertaking by the company that, as far as possible, preference in employment would be given to married men and those supporting families. The company also undertook to constitute a committee of employees consisting of 45 members representing each department in the mill, but on which the management would also be represented.

Although the strike of 1935 occurred without the intervention of any union or labour leader, concerted action by the workers at this time apparently aroused interest in a more definite form of organization. This feeling was stimulated as the workers began to feel that the company was not living up to the terms of the settlement of the August strike, particularly in respect to the undertaking regarding the employment of married men or workers with dependents. The management maintained, however, that workers were re-engaged as rapidly as conditions in the mill warranted. Finally, in January, 1936, after some of the workers had organized a labour union as a local of the United Textile Workers of America, a vote was taken among the workers which resulted in the decision in favour of declaring a strike within a few days. As a result of this decision, the union presented a series of demands to the management and on the refusal of the company to accede to any of their requests, a strike was called on February 18, 1936.

The Mayor of Three Rivers immediately took steps to bring the two parties in the dispute together and drafted a plan of settlement which was acceptable to the strikers, but was rejected by the company. The proposal put forward by the Mayor of Three Rivers greatly modified the original demands of the strikers and did not call for the recognition of the union, but merely for a committee of workers. On the refusal of the company to enter into any negotiations on the basis of the plan advanced by the Mayor of Three Rivers, an appeal was made to the Department of Labour in Ottawa and federal conciliation officers came to the town and interviewed both the management and the strike leaders. Again, however, no plan of settlement could be evolved which was acceptable to the company, which maintained throughout the dispute an uncompromising attitude toward any suggestions which would involve any recognition of organization among the workers, apart from the shop committee already mentioned. The final outcome was indeterminate although, as has already been stated, the workers returned to the mill on March 2. The following evidence of Mr. Georges Henri Robichon, Mayor of Three Rivers, describes the outcome of this labour dispute:—

Mr. Beauregard—

"Q. Will you kindly tell the Court what you have to say about this strike, in order to enlighten the Commissioner as to what you have noticed regarding the conduct of workers and employers during the strike, as to the things with which you are familiar such as proposals

from one side or the other, conciliation plans, etc.?—A. I understand that the strike broke out on February 18th. As soon as I obtained the information I immediately communicated with the union authorities, I believe, with a view to settling the difficulties between the Union and the Wabasso Cotton Company. We met several times, I even once drafted, I believe it was a couple of days after the strike began, a draft agreement which I submitted to the company management who did not see fit to accept it. As this draft agreement gave no result and the strike went on, other attempts at conciliation took place, still without result. When finally telegrams were exchanged—previously I must say that representatives from Ottawa came, Mr. Campbell and Mr. Quirk, and sought to settle the difficulties themselves. They had interviews with me at my office; they, also, were unsuccessful. Finally, telegrams were exchanged with Ottawa and union representatives, and it was decided that they would go back to work. I believe that was on March 2nd.

“Q. In brief, your Worship, the strikers returned to the mill on their own decision, taken pursuant to their agreement with Ottawa?—A. I believe that is right.

“Q. After trying to arrive at a compromise with the management through your mediation?—A. It had been decided to reopen the mill on March 2nd but I understand that the Union had taken no decision yet. I mean that Union members, at least most of them, had not yet decided to go back to work. They held meetings and finally decided to return.

“Q. In other words, the strike was not settled, it just came to an end?—A. I think that's just it, it was not settled, it just came to an end.”

THE CORNWALL STRIKE

The strike at the Cornwall plant of Courtaulds (Canada) Limited, was of much longer duration than the dispute in Three Rivers. The demands of the workers in this case were largely for higher wages and improved working conditions, particularly with regard to sulphuric acid fumes which occur in certain departments of the factory. Again, however, organization among the workers had not been carried far before the strike broke out. The workers in this case organized themselves into the Rayon Workers Industrial Union and became affiliated with the United Textile Workers of America after the strike started on August 11th, 1936.

The negotiation of a settlement of the dispute was delayed until the arrival of the President of the company from England. On August 25th, a conciliation officer of the federal Department of Labour visited Cornwall and conferred with representatives of the company and with the strike leaders. It then appeared that a direct settlement would be negotiated between the company and the strikers at a meeting which was to be held on August 31st. In the interval, however, the company wrote to the strikers' representatives and stated that the negotiations would not be entered into unless the international labour organizer was dropped from the committee. As a result of a further visit by the conciliation officer, the union officials agreed to the exclusion of the organizer from the committee. The company then took the stand that it was not prepared to deal with the committee of the union and negotiations leading to the settlement of the dispute, on September 4th, were finally entered into between a committee of workers and representatives of the company. The agreement provided for wage increases and also for some improvement in working conditions. It was stipulated in the agreement by the company that there would be no recognition of the union.

It appears from the evidence of Mr. Henry Johnson, President of the Company, that he was unwilling to deal with the union in Cornwall because he found that the leaders were too “amateurish”. Mr. Johnson, who was also Managing Director of the parent company in England, stated that he recognizes labour unions in the plants in Great Britain, but he opposed the union in Cornwall because of its “childish tactics.”

The essence of Mr. Johnson's criticism is that the union in Cornwall lacked experience. It is difficult to see how this shortcoming could be obviated unless the employers were willing to grant a larger measure of responsibility to the labour organization, for, as the history of labour unions in Great Britain clearly shows, it is only through the acceptance of undertakings by organized labour and the

training of leaders skilled in negotiation and administration that unions cease to be "amateurish" and become capable of assuming those responsibilities which rest upon the parties in any joint undertaking. In spite of the rather positive position which the Courtaulds company took against the union in Cornwall in the summer of 1936, it is pleasing to be able to record that in the ensuing 12 months the company has found that the union leaders have so gained in experience that in September, 1937, the company entered into an agreement with the Cornwall Rayon Workers Union. In the meantime the Union had given up its affiliation with the United Textile Workers of America and become the first member of the Canadian Textile Workers' Council chartered by the Trades and Labour Congress of Canada.

The agreement provides for the recognition of the union as the collective bargaining agency for its employees who are or may become members of the union, and that any labour differences involving departmental questions shall be negotiated by the company and the union. The company has reserved the right to employ non-union labour. The agreement of September, 1937, provides for a general increase of three cents per hour in wages, for time-and-a-half payment for all overtime in excess of the normal 8-hour day and for no work on Sundays or on national holidays; in addition, provision is made for one week's holiday with pay per year for the company's employees.

LABOUR DISPUTES IN THE SUMMER OF 1937

The revival in industrial prosperity on this continent during the past two years has brought in its train widespread industrial disputes, both in Canada and the United States. This situation has had its parallel in like periods in the past and the failure in most industries to develop recognized methods of settling labour differences has meant that in a number of cases the demand of labour for higher wages or improved working conditions has led to the cessation of industrial operations by reason of strikes. The textile industry in Canada has been no exception, and, during the summer of 1937, major labour disputes occurred in Ontario and Quebec in several divisions of the industry.

The first of the prolonged strikes commenced on June 29th, in the woollen mill of the Dominion Woollens and Worsteds Limited, at Peterborough, Ontario. Although the strike was apparently started by the action of an unorganized group of workers, an attempt was soon made to organize the employees of the company at Peterborough into a local of the United Textile Workers of America. An attempt at negotiation by a committee of the strikers was turned down by the company on the grounds that the international organizer was not one of their employees and that the remaining members on the committee, most of whom were union members, were not fully representative of their employees. Various attempts were made to bring the two parties together during the month of July, by officials of the Ontario Department of Labour, but no agreement was reached. Finally, as the result of the intervention of the Premier of Ontario, the strikers agreed that wages and hours of labour should be set after an investigation by the Industry and Labour Board of Ontario. It was further agreed by the company and the workers that any revision in rates would be retroactive to the date of the resumption of work, that there should be payment for waiting time for piece workers, rest periods for female employees and that negotiations as to grievances other than those regarding wages and hours should be conducted by the company and a committee of employees elected from the several departments under the supervision of the Ontario Department of Labour. Certain other conditions regarding employment were embodied in the agreement. It will thus be seen that the strike at Peterborough did not commence through any action on the part of a union and that the settlement of the strike did not commit the company of any form of collective bargaining.

The second major dispute occurred between the Canadian Cottons Company and its employees in Cornwall, Ontario. In this case, a number of the workers had joined the United Textile Workers of America and the strike occurred as the result of the refusal of the company to negotiate an agreement with the union.

In Cornwall, as in Peterborough, the company was unwilling to meet a committee of workers, if the union official, not an employee of the company were included.

An interesting outcome of the dispute at Cornwall was the decision of the union to seek the formation of a Canadian Textile Workers' Council which should be affiliated with the Trades and Labour Congress of Canada, and not directly with the international union.

Several attempts at settlement, chiefly through the intervention of the Mayor of Cornwall, were made during July but no agreement was reached between the Company and the representative of the employees. A conference was finally held in Toronto, at the same time as that for the settlement of the Peterborough dispute, and an agreement between the Canadian Cottons Limited and its employees in Cornwall was made on the same basis, namely that wages and hours of labour were to be established by the Industry and Labour Board and that a committee of employees would be elected to deal with other matters affecting workers. Other terms of the agreement were similar to those negotiated in the settlement of the strike of the employees of the Dominion Woollens and Worsteds Limited, at Peterborough.

It has been mentioned earlier in this chapter that during the year 1936, Les Syndicats Nationaux Catholiques were actively engaged in organizing workers in the textile factories in the province of Quebec. In January, 1937, the union felt that its position was sufficiently well established to undertake the negotiation of a collective agreement for workers in the mills of the Dominion Textile Company. Les Syndicats Nationaux Catholiques addressed a letter to the managing director of the Dominion Textile Company, inviting the company to enter into negotiations for a collective agreement. A part of the correspondence on this subject has been filed as Exhibit 1332. The first letter filed with the Commission is dated January the 25th and contains the request of La Federation Catholique Nationale du Textiles Inc. The reply, dated January 30, 1937, consists of a lengthy explanation of the reasons why the company cannot enter into a collective labour agreement. The first argument put forward is that the textile industry has to meet international competition and cannot commit itself to any agreement which would limit the management in meeting foreign competition. Collective agreements, the letter says, are reasonably applicable only to such industries as the building trades or such types of manufacturing industries which are essentially local and which are marked by rapid changes in the competing firms. Such industries, in the writer's opinion, are the very antithesis of the textile industry which involves large investment in capital equipment which will not permit the plants to be shifted. Collective agreements, the letter goes on to say, impose too rigid conditions on management so that they are not able to keep abreast of technological changes. The letter concludes by citing the announcement made by the company in Sherbrooke that it "will not permit any third party" to interfere between the management and its employees.

In spite of the uncompromising attitude of the Dominion Textile Company toward entering into negotiations leading towards a collective agreement, La Federation Catholique Nationale du Textile Inc. apparently attempted, during the spring of 1937, to secure some modification in the position of the company. As eventually it appeared to the leaders of the union that the Company could not be persuaded to consider collective bargaining, a strike vote was taken in each Syndicat of the Federation in the various centres in the province of Quebec in which the company had its mills. According to a report in the *Montreal Gazette* of July 27, 1937, the members of La Federation Catholique Nationale

du Textile Inc. voted overwhelmingly in favour of a strike, unless the company agreed to negotiate. As there was no change in the attitude of the company, a strike was called on August 2nd and the Federation presented demands for an agreement calling for increased wages, reduction in hours of labour from 55 hours per week to 48 hours for the day shift, and 60 hours per week for the night shift. On August 4th the mills were ordered closed by the company. The Federation then proposed that an agreement be established under the Quebec Workmen's Wages Act of 1937. This the company refused to consider, but suggested that wages and hours of labour should be established after investigation by the Fair Wage Board. The latter, however, would not assume jurisdiction under the terms of the Fair Wage Act 1937, until September 1st. As neither party was prepared to recede from its position, no progress was made toward negotiations, in which the provincial Minister of Labour offered to assist. On August the 19th the company attempted to re-open three of its mills in Montreal, and, although operations were commenced, the strikers maintained that few of their number had returned to work. On August 25th His Eminence, the Cardinal-Archbishop of Quebec, appealed both to the company and to the Federation to find means of settling the dispute and proposed that the Federation should request the Premier of the Province to act as mediator. All parties acceded to the Cardinal's wishes and, as a result of meetings held in Quebec City on August 27th, a settlement was reached providing for the immediate termination of the strike, the re-engagement of all employees on the payrolls on July 31st, and the establishment of a joint committee of four representatives of the employers, two representatives of La Federation Catholique Nationale du Textile Inc. and two representatives of other employees of the company, to negotiate collective labour agreements for the various plants of the company, to be signed before March 1, 1938. The rates of wages were to be determined by the Fair Wage Board and would be retroactive to the date of settlement. If collective agreements were not made by March 1, 1938, the conditions of labour established by the Fair Wage Board were to be incorporated in a collective agreement.

At a meeting of the Fair Wage Board on October 14th, the representatives of both employers and employees agreed to confer upon the joint committee of eight, already referred to, the task of drawing up an agreement on wages and working conditions in the mills of the Dominion Textile Company, Ltd., the Drummondville Cotton Co. Ltd. and The Montreal Cottons Ltd. Negotiations were successfully concluded on December 20th, when the committee of employers and employees informed the Fair Wage Board that an understanding had been concluded and an agreement signed covering all points at issue which were to have been decided by the Fair Wage Board. The parties also informed the Board of their desire to withdraw the demand previously made upon the Board to fix the conditions of work, as both parties now wished to conclude collective agreements under the provisions of the Workmen's Wages Act. The Fair Wage Board granted this request and on December 27th separate agreements were concluded at each mill between the companies and their employees. The agreements were signed on behalf of the workers by officials of Les Syndicats Nationaux Catholiques, La Federation Catholique Nationale du Textile Inc. and representatives of the non-syndicated employees.

The collective agreements are based upon the terms of the report to the Fair Wage Board. This report is quoted in full in the appendix. The agreements provide for union recognition by the companies as well as for rates of wages, hours of labour, etc. A joint committee of six, representing the employer and both organized and unorganized workers, is to be formed at each mill and, in addition, a central collective committee is to be established for all mills covered by the agreements. Provisions of the collective agreements respecting wages,

hours of labour and conditions of work were summarized in the Canadian Textile Journal of January 7, 1938, as follows:—

"The agreement will run for one year to September 3 next with provision that it may be terminated on May 28, 1938, on notice by either party prior to February 28. All wage increases have full effect as and from December 11 and the company has paid a bonus of 5 per cent upon actual wages earned by employees affected for the period from August 30 to December 11, 1937.

"Main points of the agreement are:—

"A 5-day week of 50 hours for mill workers, with exceptions covering maintenance men, stokers, watchmen and bleachers, and extra provisions covering printing and dyeing departments.

"Wage increases of 4 per cent for piece workers; a general increase of 7 per cent for hourly paid workers earning less than 30 cents per hour; all night workers will receive 2 per cent over corresponding day rates and not less than 20 cents per hour; all overtime will be paid an increase of 5 per cent over the ordinary rate; apprentices, limited to 5 per cent of total employees, will be paid not less than 15 cents per hour."

In view of the earlier opposition of the companies to the negotiation of a collective agreement with their organized workers, the successful conclusion of an agreement is a matter of great significance. The comment of Mr. G. B. Gordon, in a statement issued at the time of the signing of the agreements and printed in the Canadian Textile Journal, indicates the present attitude of the companies.

The suggestion of Mr. Justice Roy, chairman of the Fair Wage Board, last October, that the many points at issue could best be dealt with through a committee composed of representatives of the interested parties, has indeed proved to be a wise and happy one.

Although the labour agreements for cotton workers in Quebec partially follow the general principles of collective bargaining, the settlement of the strikes in the cotton and woollen mills in Ontario rests upon the determination of wages by the newly-established wage board. Such settlements differ widely from the practice in the United Kingdom, above set out, where the representatives of both industry and labour meet to decide jointly upon the terms of employment.

CONCLUSION

This inquiry into industrial relations in the textile industry in Canada leads to the conclusion that those employers who have failed to give sympathetic consideration to the demands of labour for collective bargaining have adopted a very short-sighted policy and one which will, in the long run, be contrary to their own interests. This conclusion seems unavoidable in view of the very complete organization which the manufacturers have created to further their interests in regard to the tariff, the domestic market and other matters in which they thought joint action might be of benefit to them. To deny to their workers the same right of organization by failing to treat with them collectively appears indefensible. The argument that the Canadian textile industry is continually faced with international competition must be considered in the light of the facts given in Chapter V regarding the share of the domestic market held by Canadian producers. In practically all the democratic European countries in which textile manufacturing is carried on, the industry is much more dependent upon world trade than in Canada. Yet, in all these countries, the right of labour to organize has been fully recognized and, as in the United Kingdom, collective bargaining between employers and employees is now the established practice. The fear expressed by Canadian employers that the workmen, if fully organized, would make such unreasonable demands as would jeopardize the future of the Canadian industry, does no justice to the intelligence of the textile employees. In view of the negative attitude which has been maintained by textile employers over a long period, there is a possibility that the immediate result of any effective organization on the part of the workmen would be pressing demands upon employers for improved working conditions and higher wages. But, once the workers realized that the employers were willing to enter fully into collective bargaining and the recognition of unions, there is no doubt

that much greater responsibility would be assumed by the labour leaders for the conduct of successful operations in the industry. The immediate need in the textile industry is the progressive improvement of labour conditions in regard to wages, hours of labour and conditions of employment. As was pointed out in the preceding section, hours of labour in the basic divisions of the industry have not been reduced in line with the current trend of shortening the work-week.

The situation in Canada calls for the recognition of collective bargaining within the textile industry. The experience in the United Kingdom, already referred to at length, shows that the most successful way to establish collective bargaining is through the voluntary adoption of the principle by the employers. In certain of the provinces of Canada, legislation has been adopted with the purpose of securing the effective operation of collective bargaining, wherever trade unions are well established. In Nova Scotia the Trade Union Act of 1937 declares that it is lawful for employees to form or to join a trade union and to bargain collectively with their employer or employers through the trade union and its officers. Penalties are provided for any employer refusing to bargain with the trade union representing the majority of his employees. The Nova Scotia Act declares it to be unlawful for any employer to seek to restrain an employee from joining a trade union. The Quebec Workmen's Wages Act, 1937, provides a penalty for employers who prevent either directly or indirectly an employee from becoming a member of a trade union as well as for any employer who dismisses an employee by reason of his trade union activities. Similar legislation has been adopted in some of the Western provinces.

While such legislation appears necessary for those employers who continue to refuse to recognize trade unions, the recent change in attitude on the part of Courtaulds (Canada) Limited and the Dominion Textile Company Limited suggests that the more enlightened employers may not long delay entering into collective bargaining.

PENSION SCHEMES

Before leaving this review of industrial relations I must say a word about the evidence I received regarding voluntary pension schemes in force.

Provision for pensions on a non-contributory basis is made by some textile companies. It was stated during the course of the argument that the Dominion Textile Company Limited paid out during their fiscal year, ended March 31, 1935, \$73,154.75 as pension to retired employees. About \$63,000 of this amount was paid to former mill hands of the company, and the balance to retired salaried officials.

The Montreal Cottons Limited has about 88 pensioners on its pension list. In the case of this company the qualification for a retiring allowance is 20 years service and the rate is based upon earnings for the last ten years prior to retirement.

The Belding-Corticelli Limited stated in a submission sent to the Commission that allowances were being paid to old employees no longer able to work.

In addition to the provision of pensions, a number of textile companies assist in the provision of group insurance for employees.

CHAPTER X

THE TEXTILE INDUSTRY AND PROTECTION

The Canadian textile industry is still in favour of a protective tariff and holds out no prospect of ever reaching the stage where it can do without one. It is hardly necessary to state this, but I do so in order to dispose of whatever misunderstanding may exist because of the suggestion, made at some time during the course of the inquiry, that the protection now given textile manufacturing is extended to it on the "infant industry" principle with a view to eventual elimination. Whatever may be the expectation or the hope of others, those engaged in the industry assert quite candidly that they need, and that they hope for, a continued policy of protection in order to remain in business.

In a work intituled "The Return to Protection" written by Professor William Smart of the University of Glasgow in the year 1903, the author, speaking of protection in Canada, has this to say regarding hopes and expectations to which expression had been given a quarter of a century earlier:—

"One of the fathers of Canadian protection declared long ago that 'given fifteen years of protection the infant industries of Canada would be able to stand alone.' The fifteen years are gone; twenty-five years are gone. The infant is still in arms."

The present day attitude of the textile industry was expressed, during the argument which took place at the end of the inquiry, by Mr. S. G. Dixon, who was then acting as counsel for Courtaulds (Canada) Limited, and who has since become president of that company. The discussion on this point begins at page 16233 of the proceedings:—

THE COMMISSIONER: While you are on your feet, Mr. Dixon, perhaps you can throw some light on a matter that has puzzled me a good deal. You say your company has been very successful, but you contend that its success in the past,—the money it has made in its operations—is no reason why it should be expected to carry on with lower tariff protection. Can you tell me what is meant then by the language one hears commonly about the "infant industry"? We are always told that the infant industry should be protected, but that when it has grown up and is no longer an infant it does not need protection. What does that mean?

MR. DIXON: I do not think it means anything in the rayon business; I do not see how it can mean anything.

THE COMMISSIONER: I am not saying that you have ever advanced the theory, but it is current language, is it not?

MR. DIXON: Yes, I know it is.

THE COMMISSIONER: Protection, we are told, is required for infant industries, and after they have gotten over their growing pains and can stand erect on both feet—after they are able to walk without protection—they should no longer be given protection. That is what we are told, but I have not seen any illustration of an infant industry growing up. I do not know of any.

MR. DIXON: And I do not think you will ever see one unless you give it protection.

THE COMMISSIONER: In the use of that language has there not been more or less of a false pretence?

MR. DIXON: I think so. You have to make up the difference somewhere. In my opinion when the national policy was instituted in the 70's it was a mistake to talk about infant industries, because you have to feed them all their lives."

Mr. Dixon then went on to discuss the question of wages in the United Kingdom and in Canada. As he evidently intended his remarks on this subject to serve as at least a partial explanation of what he had just said regarding protection, I think it right to continue the quotation. Immediately after making the statement above quoted, Mr. Dixon continued:

MR. DIXON: We sell a pound of rayon for 57 cents, but in that pound there is approximately 24 cents of wages content. The same wages content in a pound of rayon from England is about 16 cents. How can you equalize the two?

"The COMMISSIONER: It is 16 cents in England if you simply translate so many shillings into so many dollars.

"Mr. DIXON: Yes, it costs 16 cents in England to manufacture a pound of yarn.

"The COMMISSIONER: But it is not enough to say that it is 16 cents in England as against 24 cents in Canada. That is one of the difficulties of the whole problem. While it looks easy simply to translate shillings into dollars and to say that 'this' is more than 'that' you have not thereby reached the end of the question by any means.

"Mr. DIXON: No, but it leaves you 8 cents to get over.

"The COMMISSIONER: I have been trying to cope with this difficulty. I am referring now to labour costs.

"Mr. DIXON: Yes, My Lord.

"The COMMISSIONER: I suggest that you cannot settle the question by merely translating shillings into dollars and saying 'There you are.'

"Mr. DIXON: I admit that 16 cents may buy more for the labourer in England than 24 cents does here.

"The COMMISSIONER: The problem is more involved than it seems on the surface.

"Mr. DIXON: Yes, I realize that it is too big a question to settle this afternoon."

The attitude of the textile industry being in favour of a permanent protective policy, the question of the industry's benefit to the country is of prime importance. The community is asked to tax itself, and to support the tax indefinitely, in order that the industry may thrive. It was therefore incumbent upon the industry, on the occasion of this inquiry, to make out its case: that the return it makes to the community is worth the sacrifice it asks of it.

Mr. R. L. Kellock, counsel for the Primary Textile Institute, deals with this question in his factum. In addition to the number of persons the industry employs and the size of its payroll, Mr. Kellock sets out the advantages which, in his view, the industry confers upon the nation, in the following manner:

"The above figures of employees and annual payroll, of course, only show the employees actually working in these mills and factories, and do not include those Canadian workers engaged in producing supplies for the industry, such as soaps, chemicals, boxes, paper and so on, or transporting raw materials and supplies for the industry, and whose wages are included in the figure of \$94,000,000 of materials used."

(I must point out here before proceeding with Mr. Kellock's statement, that "materials used" include importations from other countries of raw silk, raw cotton and wool, making up probably 75 per cent of this \$94,000,000.)

"Industries supplying the textile industry are well established in Canada and manufacture a large variety of products. In 1934 the textile industry used \$7,885,725 worth of chemicals, dyes, oils, soaps, etc., in a large part the product of Canadian industries which during the past years have been developed to supply the textile industry. (Exhibit 788, p. 16). The textile industry in 1934 also spent \$1,585,381 on packing materials, chiefly Canadian, and \$2,746,360 on electric power, in addition to the power generated in its own plants. (Exhibits 788 p. 18).

"There is a distinct advantage to Canadian railways in the fact that on textile goods produced in Canada the railways carry both the raw materials and supplies as well as the finished products, while on imported goods they only obtain the carrying charges on the finished product. From a study made in 1932 of a woollen mill, a woollen and worsted cloth mill, and a carpet mill, it was found that for every ton of finished product produced by this group there were thirteen tons of raw material, fuel, supplies and machinery taken into the plants. (Exhibit 788 p. 17; also Exhibit 615 p. 2). Furthermore by reason of the fact that the railway freight content in the transportation charges on a shipment of manufactured goods from overseas to some Western Canadian points is less than the freight charge paid by a Canadian mill on its shipments from Eastern Canada to the same Western Canadian points, a Canadian mill is worth more in revenue to Canadian railways than a foreign or British mill.

"In evaluating the importance of the primary textile industry in Canada, the basic figures concerning the industry have to be compared with the entire manufacturing industry in Canada. In 1934 the primary textile industries comprised 1.96 per cent of the number of establishments, 5.04 per cent of the capital employed, 7.52 per cent of the value of manufacturing production, 11.20 per cent of all manufacturing employees, and paid 9.09 per cent of wages and salaries. (Exhibit 788 p. 4.) These figures not only show the relative importance of this industry to Canada but they also show that although the primary textile industry uses only \$5 capital for every \$95 capital used in other manufacturing industries, it gives direct employment to 11 workers for every 89 workers employed in other industries;

that is, it is a valuable industry for a country to have because the number of workers is relatively high as compared to the capital employed.

"In considering the relation of the percentage of wages to the percentage of persons employed, it must be taken into consideration that the textile industry is a 'light industry' employing a large proportion of females and young persons between the time of leaving school and marrying. From Exhibit 1287, setting out employment in manufacturing industries in Canada, it may be shown that in the primary textile industry the proportion of females to all employed is 47.1 per cent, and in the other industries listed, exclusive of the primary and secondary textile industry, the proportion of females to all employed is only 17.7 per cent.

"From the foregoing it is deduced that the primary textile industry is an integral and important factor in the Canadian industrial development."

On the question of employment and the industry's payroll, the records of the Dominion Bureau of Statistics show that in the year 1936, 63,874 persons were employed and \$52,438,216 were paid in salaries and wages.

Speaking for the Dominion Textile Company, Mr. Heward dealt with this same subject in his oral argument. His remarks are reported in volume XXVI of the proceedings, beginning at page 17986 and continuing to page 18027. His statement is interesting and is made with great thoroughness, but it is not possible for me to summarize it here adequately. In addition to the facts set out by Mr. Kellock, Mr. Heward deals with the production of the Dominion Textile Company, pointing out, among other things, the great extent to which this Company manufactures articles that serve as the primary materials for other manufacturing companies. In this particular he refers to exhibit No. 1362. He points out that in the year 1935, the Company spent \$2,822,216 on purchases in Canada for its factories. He argues, among other things, that, under a regime of free trade in textile products, more benefit would go to the importer than to the consumer; that in the case of a national emergency such as war here, or in the United States or in Europe, a home textile industry would be an absolute necessity; that if customs duties were lowered to such an extent as to give the Canadian business to manufacturers in other countries, the resulting benefit to the Dominion treasury would not be large.

On this subject of services rendered to the nation by the protected industry, Mr. McRuer, and Mr. Beauregard, raised the question of "protection to machines" as opposed to "protection to the workers." The question is whether, as the industry becomes more and more mechanized, manufacturers are not producing at less cost to themselves with a less number of employees. This would tend to lower the required measure of tariff protection. All I can do here is to state the question and to show how it was answered by the company executive to whom it was put, Mr. W. J. Whitehead, Managing-Director of the Wabasso Cotton Company Limited at Three Rivers. The following is taken from the evidence beginning at page 1081:—

Q. So that we come to this conclusion and I think you agree with me, that since 1928 the proportion of labour in the output of the company has been reduced from about 32 per cent to 20 per cent—A. I have agreed with that.

"Q. So that it would be a correct statement, would it not, to that extent the protection that has been afforded to this company has been a protection on the output of machines to that much greater extent? . . .

"The WITNESS:—I would like the question more clearly put before I answer it.

"The COMMISSIONER: Well, put it again, Mr. McRuer.

By Mr. McRuer:

"Q. You agree with me that it is fair to say that the labour element in the output has been reduced from 1928 from 32 per cent to 20 per cent in 1935.

"The COMMISSIONER: That is a fact.

"Mr. McRuer: That is a fact. We have established that now.

"Q. Then, if that be true, the protection that has been afforded to the output of this company has been a protection on the output of machines to that much greater extent?—A. In answering that question, Mr. McRuer, I would like to draw your attention to the fact

that while we are discussing wages and percentage of wages the introduction of the automatic machinery with its consequent reduction in labour content has allowed us to increase the number of employees—increase the number of employees in our employ.

By the Commissioner:

"Q. Increase the number of employees?—A. Increase the number of employees in our employ due to the great deal greater production we are able to turn out, or at least to the greatly cheaper price we are able to turn out our merchandise at and therefore obtain greater production or greater sales. . . .

"Q. You have prepared a statement showing the number of employees from 1917 to 1936. In 1928 the total number of employees was 2,450?—A. That is correct.

"Q. And in 1936 or 1935, to keep within this year which we are dealing with, the total number of employees was 1,858?—A. That is correct.

"Q. How do you say that the increase—or the installation of the automatic loom has enabled you to increase the number of your employees?—A. Well, wait till I answer that question correctly for you. May I ask that—

"Q. I am afraid I must have misunderstood what you said.—A. No, you are correct, but you have skipped all the intervening years, you know.

"Q. I am dealing with two years at the moment?—A. You skip the intervening years. You are failing to take the whole picture because in 1928 while we admit having 2,400 employees we were actually carrying out our operations with the English loom and the English machinery and the English system.

"Q. I suggest to you—A. On changing—

"Mr. LAJOIE: Let him finish.

"The WITNESS: On changing that method of manufacture to the American system the number of employees dropped from 2,400 to 1,600 but due to the decrease in costs that number has crept up to 1,900 again which is an increase over what it was at that period.

By the Commissioner:

"Q. When was there 1,600?—A. 1,600 was in 1930.

By Mr. McRuer:

"Q. So that in between 1929 and 1930 you installed these automatic machines?—A. Between—

"Q. Evidently between 1929 and 1930?—A. No, we started.

"Q. Well, you are giving the reason for the drop in the number of employees from 2,450 in 1928 to 1,637 in 1930 that you installed automatic machines?—A. We started.

"Q. Yes, well—A. We have not completed yet.

"Q. You have not completed it yet. Then, may we take it that you will further reduce the number of employees per output after you have fully completed the installation of the automatic machines?—A. We will—

"Q. And that this 20 per cent will be down below 20, something below 20?—A. Will you repeat that?

"Q. I say may we take it that when you have fully completed the installation of the automatic machines that you will be able to increase your output per number of employees and that this 20 per cent will be lower, still lower?—A. We would be able to increase our output per—

"Q. Per number of employees?—A. No.

"Q. I thought that is what the automatic machine did, increased the output per employee?—A. It has increased the output per number of employees but at the time—at this present period to which you are referring the output to-day has exceeded the output as it was at that date. Therefore any additional machinery you put in increases the output but the number of employees per unit remains the same.

"Q. Then your output increases per number of employees, per 100 of employees you have a greater output?—A. No, because you increase the number of employees for every machine you put in. You are not scrapping machinery, ruining machinery to install automatic machinery.

By the Commissioner:

"Q. You are talking of additional machinery, not substitutional?—A. Yes.

By Mr. McRuer:

"Q. I thought you said you had not fully converted the factory into automatic machines; it was not complete?—A. Yes, but the number of non-automatic machines which are in the factory, and occupying floor space, are idle and there is nobody being employed on them, and if the installation of automatic machinery had not been done in 1929 the whole mill would be idle to-day.

"Q. I see. Taking your yards of cloth for instance, on this statement this shows it is 37,000—37,000,000?—A. Yes.

"Q. 37,000,000 as against 16,000,000 in 1928?—A. Yes.

"Q. While your wages are down from \$1,500,000 to \$971,000?—A. Yes.

"Q. That is a fair reflection, is it, on the effect of the installation of the automatic machine?—A. Yes.

"Q. I see, well— A. Of course, that is, these statements that go with it.

"Q. Yes.—A. If the automatic machine was not installed I doubt whether you would have any wages being paid."

The foregoing leaves the question in a rather indefinite form. It is, however, one of the factors in the problem of tariff protection and will require consideration from time to time.

On the assumption that protection to the textile industry is a permanent policy of government, Mr. Heward has this to say in his factum as to the measure of this protection:—

"In deciding, however, as to the sufficiency or insufficiency of tariff protection an additional factor enters into the question, namely, the encouragement of new investment in the industry concerned. Tariff protection is intended not only to ensure the survival of those already engaged in the industry, but also to procure the establishment of new undertakings in the industry, and such ventures must therefore be made reasonably attractive for capital. As, therefore, one of the purposes of tariff protection is to encourage the investment of capital, the tariff should offer such protection as will enable those proposing to invest new capital in the industry to obtain a fair rate of earnings on the amount of capital which is necessary, at that time, to purchase the assets, fixed and otherwise, required for carrying on the industry."

On this subject, it should be borne in mind that the danger of over-expansion entailing loss and increased unemployment in periods of business recession, is always present in the growth of existing companies and in the creation of new ones; and this consideration should be weighed, along with others, against the request for higher protection to encourage new investment.

In view of the quotation regarding "infant industries" from the work of Professor Smart, given in an earlier part of this chapter, and its application to the textile industry in Canada, I have endeavoured to have a comparative table drawn of rates made applicable under the National Policy Tariff of 1879, and those now in force. The task is not an easy one on account of the changes brought about in the many years that have gone by.

The comparison of tariff rates over periods of time is a matter of great difficulty as there have been marked changes in the nature of rates, the classification of items and in the unit values of imports as well as in the character of the goods on which the duties are applied. With the continued industrial development of the country tariffs have tended to become more complex. This is shown by the greater variety in the rates of duty and the greater detail in the tariff items.

The first major difference between the tariff of 1879 and that of 1937 is that the present tariff has preferential, treaty, intermediate and general tariff rates, whereas the earlier tariff, particularly for textiles, had practically only one set of rates. The tariff of 1879 was largely a revenue tariff with protective features imposed to favour the manufacture in Canada of certain products. Duties on goods of a class or kind not made in Canada were therefore made relatively high in order to provide substantial customs revenue. The present tariff contains a considerable number of free items under the British Preferential Tariff. In comparing duties on the principal textile items it is necessary to bear in mind that there are important items in the present tariff which are free of duty or on which relatively low duties apply on British imports.

COMPARATIVE DUTIES ON CERTAIN CLASSES OF TEXTILE MANUFACTURES
IN 1879 AND 1937 (BASED ON 1937 PRICES)

	Tariff 1879	Preferential Tariff* 1937	Intermediate Tariff 1937
	per cent	per cent	per cent
Cottons—			
Grey Sheeting.....	30.9	15.0	41.7
Bleached Sheeting.....	22.4	18.0	35.7
Piece Dyed.....	32.8	18.0	39.1
Prints (not made in Canada in 1879).....	20.0	18.0	39.5
Cotton warp yarns.....	22.7	12.5	32.3
Cotton hosiery yarns.....		12.5	18.5
Wool Fabrics—			
N.o.p.....	25.0	27.2	59.7
Socks and stockings.....	27.5	24.4	69.5
Silk Fabrics—(Flat Crepe).....	30.0	20.25	60.0
Artificial Silk Fabrics†.....		24.75	82.1

*10% discount under British Preferential Tariff has been deducted.

†Not made commercially in 1879.

Various representations were made to me, after the conclusion of the hearings, by the Primary Textiles Institute and the Canadian Cottons Ltd., with respect to the present position of the industry in Canada in relation to importations of textile goods. As some of the matters referred to are of relatively recent development, and as I have not had an opportunity to institute any inquiry with respect to them, I shall merely summarize the representations which have been made. I do this because, so far as they go, they bring the views of the industry on certain features of the tariff up to date or nearly so.

Mr. W. M. Berry, assistant secretary of the Primary Textiles Institute states in a letter dated November 19th, 1937, that, as has been pointed out in Chapter V herein, a drastic decline in the price of raw cotton took place in the autumn of 1937 and that by November the price of New York spot cotton was approximately 8.0 cents per pound compared with 14.66 cents in March of the same year.

Mr. Berry then points out:—

“From the duty point of view the chief effect of this reduction of raw cotton prices on Canadian mills is the reduction of the amount of duties collected under *ad valorem* rates. If the prices of manufactured cotton goods decline in step with decreases in raw cotton the duties collected under *ad valorem* rate will decrease according to the decrease in raw cotton.”

To illustrate this point, Mr. Berry refers to the *ad valorem* duties which would have applied on a print cloth included in Exhibit 831, if imported from the United States, viz:—

	Ad Valorem Duties Collectable
	cts.
March 31, 1937.....	15.00
June 30, 1937.....	12.00
September 30, 1937.....	9.00
October 25, 1937.....	8.75

Ad valorem duties, however, formed only a part of the customs and excise charges collectable on such an import. The full particulars in this regard are:—

Date	Price in United States	Ad Valorem Duty 20%	Specific Duty 2½ cents Per Lb.	Excise Tax 3%	Total Duties and Excise	Percentage of United States Price
	\$	%	cents	%	\$	%
April 7, 1936.....	51.25	10.25	5.47	2.01	17.73	34.5
Mar. 30, 1937.....	75.02	15.00	5.47	2.86	23.33	31.1
June 30, 1937.....	60.02	12.00	5.47	2.32	19.79	33.0
Sept. 30, 1937.....	45.01	9.00	5.47	1.78	16.25	36.1
Oct. 25, 1937.....	43.76	8.75	5.47	1.74	15.96	36.5

Mr. Berry further states that:—

“The prices of manufactured goods have collapsed (in the United States) even more than justified by raw cotton declines; United States margins have been seriously reduced and, we believe, goods are being sold at less than cost.”

This representation regarding United States selling prices is supported by the following data furnished by Mr. Berry for the print cloth in Exhibit 831:—

Date	U.S. Selling price of Cloth per pound	N.Y. Spot Cotton per pound	Gross Margin (by difference)
	cents	cents	cents
Mar. 31, 1937.....	48.00	15.10	32.90
June 30, 1937.....	38.40	12.54	25.86
Sept. 30, 1937.....	28.80	8.46	20.34
Oct. 25, 1937.....	28.00	8.34	19.66
To which may be added similar information for			
April 7, 1936.....	32.79	11.64	21.15

Mr. Berry then points out the increase in the importations of certain cotton goods from the United States. Full details on this point are contained in the tables in Chapter IV herein.

In a letter dated November 11, 1937, Mr. A. O. Dawson, president of the Canadian Cottons Ltd., deals with the above matters as they affect his company. His representations may be summarized as follows:—

1. The Canadian Cottons Ltd. purchased large quantities of raw cotton at prevailing prices in April, May and June, 1937. Due to a strike that developed at Cornwall in the summer of 1937, the Company was unable to use up their supplies of raw cotton as rapidly as had been anticipated.

2. The changed conditions in the raw cotton market and in domestic demand have forced the Company to revise its price lists downward.

3. It appears likely that the Company will suffer some losses before the raw material can be converted into finished goods and sold.

4. “Increased rates of pay to Company employees made effective during the past year have greatly added to the cost of production, while at the same time there has been a steady and drastic lowering in the price of finished goods.”

The Primary Textiles Institute has also made representations with respect to importations of artificial silk fabrics. In a letter dated December 15, 1937, Mr. Berry points out the increases that have taken place in importations of artificial silk fabrics from the United Kingdom, the United States and Japan.

Figures for these imports will be found in Chapter IV. The trend in recent months is as follows:—

IMPORTS OF ARTIFICIAL SILK FABRICS

	All Countries		United Kingdom		United States		Japan	
	1936	1937	1936	1937	1936	1937	1936	1937
	lb.	lb.	lb.	lb.	lb.	lb.	lb.	lb.
July	125,301	155,384	81,331	112,487	6,637	7,015	33,270	30,956
August	147,618	139,399	80,194	83,110	8,169	9,423	51,796	39,528
September	133,482	133,564	85,387	87,750	6,574	13,022	37,084	27,137
October	128,737	133,929	70,472	81,711	13,873	15,465	40,354	33,817
November	119,949	121,042	64,747	67,766	13,495	23,700	39,903	22,896

In a letter dated December 28, 1937, Mr. Berry deals with the current situation with respect to the Japanese yen as follows:—

“Effective January 1, 1938, the “minimum rate of exchange for computing the value for ordinary and special duty purposes of goods of a class or kind made in Canada imported from” Japan is 29·5 cents to the yen. But the added proviso that “currency special duty shall only apply where the current exchange rate is in excess of 5 per cent below the fixed value” has abolished currency dumping duty on Japanese goods altogether for the present since the current exchange rate of 29·11 cents is only 1·3 per cent below the fixed value.”

An illustration of the present situation regarding currency dumping in respect to Japanese importations has been given in Chapter I at page 16.

CHAPTER XI

VALUE OF INQUIRY—RESPONSIBILITIES OF PROTECTED INDUSTRY

In the foregoing chapters of this report I have dealt with the evidence adduced upon all the subjects set out in the Order in Council as requiring investigation.

This investigation called for "full and complete information . . . covering a period of years with respect to costs, profits, wages, salaries and bonuses, tariff protection, investment, volume of production, and all other matters and things which together with information already available to the Government will enable sound conclusions to be reached regarding the position of this and other branches of the textile industry in relation to British and foreign competition, and in particular, the extent to which the employer can reasonably and properly be expected to maintain employment over periods of temporary difficulty."

In going over the record of the proceedings as I have done in this report, I have acted in an endeavour to indicate the different parts into which the subject-matter of the inquiry may properly be divided, to compile and to set out from the great mass of evidence the facts and figures which furnish answers to some of the questions raised, to fix responsibility where it appeared necessary to fix it, to present the different views expressed on controverted points, to comment when comment appeared to be called for, and to suggest when I have thought that my suggestions might be helpful. In this last chapter, I shall have further facts to deal with and further suggestions to make. But before going into these, I have something to say concerning the whole inquiry, which, I think, is best said now.

In my opinion, the great value of the inquiry lies, not in this report (which must necessarily be summary and which probably will be found chiefly valuable as a sort of index and guide to the great volume of material produced), but in this material itself. The function of the inquiry was to secure information for submission to the Government. I think this function has been discharged with great thoroughness, thanks to the labour of those appointed to assist me and to the co-operation of all concerned. As a result we have, in the twenty-seven volumes which record the proceedings, in the 1380 exhibits filed, in the factums prepared with great care and handed in by counsel for the Commission and for all parties having an interest in the inquiry, material of great value to those who desire to become acquainted with the history and the present position of the Canadian textile industry, and especially, to those whose duty it is to view this industry in its social aspect and in its relationship to the country's customs tariff. Among the exhibits, the questionnaires and statements filed by the auditors possess a value which can hardly be over-estimated.

But my concern at this moment is to assist in having the value of this inquiry maintained. I can do this only by submitting, as I hand in this report, that steps be taken to supplement and to keep up to date as time goes on the information which this record contains. The work accomplished by the investigation will be of permanent value only if it is used as a basis and a starting point for the continuous exercise of observation by the proper department of Government over the standing and the activities of the textile industry. If this suggestion is received with favour, the working-out of a recording system will not be difficult. The Dominion Bureau of Statistics now secures annual returns from each unit of the industry (as of all other industries), showing such particulars as capital employed, salaried employees, wage-earners, wages paid, materials

used, products manufactured, etc. Financial returns are of course made by each manufacturer to the Income Tax Office. Those manufacturing establishments which are incorporated as companies under the Dominion Companies Act also send to the Secretary of State copies of the balance sheets and other statements which they lay before their shareholders annually; but many of the textile firms are incorporated under provincial legislation and any returns they make go to departments of provincial governments, who, of course, are not concerned with them as tariff-protected manufacturers. My intention is that all companies should supply the required information: public companies, private companies, subsidiaries, etc. The questionnaires prepared by the Commission auditors and filed as exhibits might, I believe, serve as a model for the compiling of proper annual returns, with possibly some modifications to ensure greater particularity in some respects.

The object of what I suggest here is twofold: (1) that information of the affairs of each of these companies and of this tariff-protected industry as a whole, at least as complete as it has been made by this inquiry, be available at all times to those who have the right to possess it, that is the Government, Parliament, and the tax-paying community; (2) that this information be required in such form, and with such particulars, that the element of secrecy, and of consequent deception, in so far as it may exist (and the evidence does not show that it is all-pervading), will be done away with. As an instance of the secrecy to which I refer I may mention what came to be known during the inquiry as "secret reserves," that is profits undisclosed because (1) hidden away in the undervaluation of inventories (or in deductions from their valuation) or (2) used for capital expenditure, thereby constituting a re-investment of profits, under the guise of proper charges for current expenses made before arriving at profits. In all these things it is the *secrecy* that is objectionable (not necessarily the reserve), because it deceives all those who are entitled to know the truth about the actual annual profits of a company and its real financial standing: the Government, the community, the shareholders, etc. In so far as the community is especially concerned, both as investor and tax-payer, it can properly exercise its rights in matters of policy, that is company policy and national economic policy, only on the condition of having access to full and accurate information. The element of publicity is essential to these purposes.

The Order in Council says that the information gathered through this inquiry is to be used, along with other material already in the possession of the Government, to enable sound conclusions to be reached, not only in relation to British and foreign competition, but in particular as to "the extent to which the employer can reasonably and properly be expected to maintain employment over periods of temporary difficulty."

When I first touched upon this question in the opening chapter of this report, I quoted certain statements from the work of W. Cunningham, D.D., on "The Growth of English Industry and Commerce." Reference is there made to what occurred in England in the days of the Tudor regime when cloth-makers, in times of stress, continued to give employment by increasing their stocks at a risk of loss to themselves through conditions abroad; doing this, in some cases out of their own generous sense of responsibility, and in other cases in obedience to royal command. The reference then shows that later on, in the 17th century, under the immense development of new economic freedom, government ceased to interest itself in the pursuits of competitors in commercial activity, with the result that "no room was left for authoritative insistence on moral, as distinguished from legal, obligations. . . . Capitalists had established their right to secure a return for their money, and there was no authority to insist upon any correlative duty." The author continues, speaking of this same second period: "There are still examples of manufacturers who continue to carry on business

at a loss in bad times, in order to provide employment for their hands, but the time has passed when government could insist on such conduct as obligatory."

In the case now under consideration the question is raised under present day conditions and in respect to manufacturers not only as such but as industrialists who enjoy and who have enjoyed for many years the benefit of tariff protection, and who, moreover, insist that this protection must be continued and perhaps even increased,—the whole of this, of course, at the expense of the community.

The importance of industry in a nation, its size and wealth, its system of organization, are all vastly different now from what they were in the 16th and 17th centuries.

Not the least of these differences consists in the only remote connection which exists to-day in big industry, such as Canada's textile industry, between ownership and management. In Tudor times, the owner was in close touch with his workmen and had an immediate interest in their welfare. (There was no need then for insistence upon "collective bargaining" as the term is now understood.) The government spoke directly to the owner when this was necessary, and expected immediate obedience of him. One of the characteristics of present day industry is the exercise of power on a very large scale by a few men whose contact with the owners (the shareholders), is confined to getting out annual statements, very often of a very meagre character, as I have already pointed out, and to going before them for re-election at an annual meeting. These men are the directors who appoint the management. And very often the chief manager is one of themselves, a managing-director; a manager appointed under a method of combining policy and management which probably is not bad in itself; which even appears to have advantages.

The condition of things which I have just described is probably inseparable from a smooth working of the capitalistic control of industry in our times. I do not refer to it here to criticize it: to do so would be to go quite beyond the scope of my instructions under this Commission. I call attention to what the system is in order that the nature of the problem now under discussion may be better understood.

The Order in Council refers to "the sudden cessation of operations in industrial establishments." Evidently, under present conditions, this must mean actions causing distress with which the owners of big companies (the shareholders) can have had nothing to do; which they will hear of only later, at the same time as the general public.

The closing of the Dominion Textile Company's mill at Sherbrooke was the act of one man, the managing director. The shareholders had nothing to do with it, nor, so far as I know, the board of directors. I have already said that, at the beginning of the inquiry, the managing director came forward to assume all responsibility for what was done. Yet, the action taken was of a serious nature. It added 400 people to the unemployed in Sherbrooke, and the distress of those persons and the consequent expense upon relief bodies would have indeed been great if the mill had been allowed to remain closed "indefinitely," in accordance with the ominous intimation written in the notice posted up.

This incident illustrates the power of management and its readiness to exercise such power without consulting the owners of the company or sometimes even the directors.

But while management may feel free to close a mill when it seems that no loss will thereby ensue to the company, will it be quite as willing to continue operating a mill at an actual loss, at least for any considerable period, or even only at the risk of an eventual loss, merely to help meet a condition of distress? Probably not, unless supported by the directorate. And the directorate in turn

may themselves feel unsafe in such cases, in view of their ultimate responsibility to the shareholders, unless some superior compelling duty,—superior to that which they owe their shareholders,—urges them along.

We must first consider the hardest kind of case: that of a company continuing to carry on operations at an actual total loss. In the case of the companies I have examined, even those that have had a record of prosperity, such operations could be maintained at the most for only a short period on account of the ensuing rapid exhaustion of the company's ready resources. The payroll of the Dominion Textile Company is over \$400,000 a month. The length of time during which it could continue to operate would, of course, depend on the extent of the loss each month. This time would be very short indeed if the whole of this \$400,000 represented a monthly total loss; because, needless to say, we must, for practical purposes, consider the company itself as it is to-day, its finances and resources, as distinguished from those persons who made fortunes out of it in the past.

For the future, too, it seems impossible to provide against losses of this magnitude. To provide for the possible operations of their plants in face of such losses, the companies would have to pile up large *liquid* reserves, so large in the aggregate that their formation might even create monetary problems affecting the general economy of the country; because I presume that whatever might be expected in this regard of the textile manufacturers would likewise be expected of all other manufacturers enjoying tariff protection. The payroll of the textile companies alone is over \$4,000,000 per month.

But the case just put is of an extreme class. It means the carrying on of operations at a total loss of the cost of these operations. This case was suggested to me, and I have dealt with it because it illustrates the problem in its most difficult form. But in reality there are many degrees of loss which fall short of this hypothetical case. The result of carrying on certain operations at a loss may reduce total profits without eliminating them; or it may leave the company on the whole without a loss or a profit; or again it may mean only a partial loss of the cost of operations so as to be possible of continuation for many months or perhaps several years.

The first of these three cases is well exemplified by the matter before us, that is the closing of the Sherbrooke mill by the Dominion Textile Company. The mill closed was the company's only rayon mill, leaving out of consideration the Valleyfield mill of the subsidiary Montreal Cottons Limited which continued to operate during the time in question. The company's rayon business represents only about six per cent of its total production, cotton being by far its chief product. The 400 workers employed at this Sherbrooke mill in January, 1936, represented about five per cent of the company's employees and their wages about five per cent of the company's payroll. Such being the case, the company could have continued to operate this mill for a year, and even if it did have to sell the whole of its rayon product at a loss of ten cents a yard, which is much more than there was at any time any cause to fear, it would still have had net profits at the end of the year on the whole of its operations; that is money available for distribution to the holders of its common shares. These net profits would have been reduced but not eliminated, and the company would have provided a year's livelihood for 400 persons who otherwise would have been a charge on the community. And the company could have carried on in this way indefinitely, taking this loss at Sherbrooke and still paying common stock dividends so long as its cotton business remained in the state of prosperity which it had then attained.

It is interesting to note at this point that according to the statements of the Canadian Cottons Ltd. their rayon mill at Milltown, New Brunswick, has been kept running at a loss ever since, and including, 1935. The president of

the company, which, like the Dominion Textile Company, is engaged principally in the manufacture of cotton goods, has this to say as to the reasons which prompt the company's action:—

"Financially speaking, it would have paid this company to have closed the St. Croix mill, transferring to some of their other mills such machinery as could be made use of in the manufacturing of other lines of cotton goods. However, because we have a large number of intelligent and worthy people working for us in Milltown, many of them owning their own homes, and to them the closing of that mill would mean a major disaster, and also as New Brunswick can ill afford to lose any more of its industries we considered ways and means of keeping the Milltown plant in operation."

The second case is where a company carries on without showing any profit, at the end of the year, but making enough to pay its bond interest, etc. This is a case, I am told, of frequent occurrence in industry, and it seems only fair that in such a case operations should be pursued if only in justice to the company's creditors.

Finally, we have the case of a company operating at a loss for several years, paying no bond interest and no dividends; but expecting a favourable turn in the tide of business which will find its plant running and its organization intact. This was the case of the Dominion Woollens and Worsteds, Limited which, after many losing years, was reorganized at a sacrifice to its bondholders and shareholders, but is still in operation and doing better now than formerly.

The above examples are not exhaustive, but they will serve to illustrate the different aspects in which the problem may present itself. In all cases of a cessation of operations the question to be determined must be one of reasonableness from a business point of view and of good faith and justice from the point of view of the community.

We are dealing now with companies owing a special duty to the community in view of the concessions made to them through the customs tariff. [One might say that the advantage of protection is granted to these companies subject to certain conditions, which Parliament should recognize and Government should enforce. The first consideration industry puts forward to support its demand for protection is the service it renders and the obligation it assumes respecting employment. There are, of course, others such as the maintenance of just prices.]

I call attention now to sections 15 and 17 of the Customs Tariff, because I think that in these sections Parliament has already pointed a way to the solution of our present problem.

Section 15 was enacted in 1897. It provides that if, after inquiry by a judge, it appears that the price of any article is unduly enhanced by agreement among those who manufacture it and that this disadvantage to the consumers is facilitated by the customs duties imposed upon like articles, the Governor in Council may place such article on the free list or so reduce the duty on it as to give the public the benefit of reasonable competition in it. In 1902 this section was invoked in the case of complaints made of a combine existing among Canadian paper manufacturers unduly enhancing the price of news and printing paper. Upon judicial inquiry the complaint was declared to be well founded. Consequently an Order in Council was passed on February 11, 1902, reducing the customs duty on news printing paper in sheets and rolls from 25 per cent to 15 per cent *ad valorem*.

In 1931 the present section 17 was added to the Customs Tariff. It has two subsections. I think it well to set out the whole section here:—

"17. (1) In the event of producers of goods taking advantage of any duty imposed under this Act to increase the price of such goods to the consumer, or using any such duty to maintain prices at levels deemed by the Governor in Council to be higher than should prevail, having regard to general economic conditions in the country, the Governor in Council may reduce or remove such duty.

"(2) In the event of any one such producer violating the provisions of this section, the Governor in Council may impose upon all the products of such producer, or any of them,

an excise duty equivalent to the amount of customs duty which would be paid by such goods if the same were imported into Canada under the provisions of the General Tariff, and the same shall be collectable as a tax, and the provisions of the Income War Tax Act as to the collection of taxes shall be applicable hereto.

"Provided, that neither subsection of this section shall apply to agricultural products. 1931, c. 30, s. 17."

Here again the offence aimed at is an undue increase in prices brought out by taking advantage of the customs tariff. In the first subsection all the producers are penalized by the removal or the reduction of the duty. In the second subsection any single offender is punished by the imposition upon his products of an excise duty equivalent to the amount of the customs duty on like articles when imported. This subsection has the merit of depriving the offender of the benefit of the tariff without affecting the manufacturing industry as a whole.

The Order in Council creating this Commission says:—

"... He (the Minister of Finance) is further of the opinion that industry generally and especially an industry which has had for years the benefit of the protection afforded by the customs tariff, should recognize its responsibility to carry on operations with due regard to its obligations to employees and to the public, and not to arbitrarily shut down its plants."

Due effect must be given to the word "arbitrarily" in the foregoing statement. It indicates, in my opinion, that the cessation of operations which is considered to be reprehensible is a cessation actuated by improper motives or not defensible on reasonable grounds, having regard to the duty which the company owes the community. There can be no doubt, I take it, that every member of an industry which obtains protection at the expense of a tax on the public mainly on the ground that its operations will furnish employment, is answerable to the community for any act which may fairly be said to constitute a wilful breach of the implied agreement to maintain employment, when such breach operates against the public good. Even where the customs tariff is not in question, Parliament penalizes wilful breaches of contract in certain cases where the welfare of the public is at stake. Thus section 499 (b) of the Criminal Code imposes penalties for the wilful breach by any person of a contract to supply light, power, gas or water to a municipal corporation when the offender knows or should know that the breach will deprive the inhabitants of their supply of light, gas or water. I refer to this provision of the code only for the purpose of analogy. [In the case of a manufacturer operating under a protective tariff there is no express contract between parties, but there is surely an implied undertaking on the part of the manufacturer, so long as he continues to enjoy the advantage of the tariff, to refrain from throwing workmen out of employment especially in times of distress, without reasonable justification or excuse.] The penalty already provided by section 17 of the Customs Tariff for other wilful offenders is the imposition of an excise tax on the offender's products which will deprive him of the benefit of the tariff. I think that here the penalty fits the offence most appropriately.

Having regard to the present day form of organized industry and the position in which the directorate and the management are placed between the shareholders on the one hand and the community on the other, I think that the question: to what extent employers may reasonably and properly be expected to maintain employment over periods of temporary difficulty, is one that can best be dealt with by being made the subject of legislation. A provision of the Statute law would make it clear to shareholders that in such questions as that of giving or withholding employment (as in that of fixing the selling price of the company's products, already provided for), the management must be mindful of the interests of the community as well as of those of the shareholders; that the shareholders' interests may have to give way, on occasions, to those of the community; and that arbitrary action by the management detrimental to the community will result in the withdrawal from the company of the advantage which it enjoys by law in common with other Canadian companies selling in the home market.

I suggest, therefore, that consideration be given to the advisability of Parliament being asked to follow the precedent which it set in 1931 in enacting subsection (2) of section 17 of the Customs Tariff. It is worth while considering, I think, whether manufacturing firms enjoying a beneficial position under the Customs Tariff at the expense of the public should not subject themselves to the possibility of seeing their privileges withdrawn, not only if they act unfairly in the fixing of their selling prices, but if they fail in any other material respect in the discharge of their duties. In the event of such provision being made in the Statute, the question of the extent of an employer's responsibility, in the circumstances set out in the Order in Council, would be left to be determined in each case by the exercise of the discretion conferred by Parliament upon the Governor in Council. I do think it is possible to fix, in advance, a general measure of responsibility which would be applicable to all employers at all times.

Before closing this report I desire to place on record my appreciation of the great services rendered to me by Mr. J. C. McRuer, K.C., and Mr. Elie Beauregard, K.C., who assisted me as Counsel. Thanks to their ability and industry I feel that no field of useful information has been left unexplored and that, on the other hand, I have been saved from the danger, inseparable from so broad a subject of inquiry, of straying into matters not strictly relevant.

I am indebted also to Counsel who appeared for the Primary Textiles Institute and to those who represented several of the companies interested in the inquiry. Each one of these gentlemen applied himself to his task in a manner which convinced me that nothing deserving of attention was being neglected or overlooked.

Finally I am pleased to say that I feel a special sense of obligation to Mr. A. S. Whiteley who has acted as my secretary and whose services have been so valuable, (in fact indispensable), that I cannot render justice to him in these few words of thanks. As I was sole commissioner on this inquiry, I have had to rely constantly, and in an unusual degree, on his industry and his mastery of the many subjects involved to guide me through the mass of facts and figures presented as a result of this long and intricate investigation. I do not believe that this task could have been performed with greater efficiency; but the performing of it has necessitated on Mr. Whiteley's part many days, and many hours at night, of protracted labour.

The whole of the foregoing is respectfully submitted.

(Sgd.) W. F. A. TURGEON,
Commissioner.

APPENDIX

APPENDIX A

LIST OF WITNESSES AND COUNSEL

A

Aird, William G.....	General Manager, Montreal Cottons Ltd., Valleyfield, Que.
Albert, Angeline.....	Employee, Dominion Textile Company Ltd., Montmorency Branch.
Anderson, Andrew F.....	Secretary Treasurer, Paton Manufacturing Co. Ltd., Montreal, Que.
Andree, Mlle Florence.....	Employee, Canadian Cottons Ltd., Cornwall, Ontario. ✓
Auclair, Charles.....	Employee, Belding-Corticelli Limited, Montreal, Que.
Ayotte, Georges.....	Employee, Canadian T.S.R. of Lyons, Ltd., Cap de la Madeleine, Quebec.

B

Ballantyne, C. T.....	Counsel, Dominion Textile Company Ltd., Montreal, Que., and Montreal Cottons Ltd., Valleyfield, Que.
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Barrette, Marc Edouard.....	Employee, Dominion Textile Co. Ltd., Montmorency Branch.
Barrie, John Wallace.....	Office Manager, Dominion Textile Co. Ltd., Sherbrooke Branch.
Bastien, Alzee.....	General Representative for Canada of the American Federation of Labor.
Beaumier, Fortunat.....	Employee, Canadian T.S.R. of Lyons, Ltd., Cap de la Madeleine, Que.
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Beland, Xavier.....	Employee, Associated Textiles of Canada Ltd., Louiseville, Que.
Belanger, Antoine.....	Employee, Dominion Textile Co. Ltd., Sherbrooke Branch.
Belanger, Omer.....	Employee, Canadian Cottons Ltd., Cornwall, Ont.
Bergeron, William.....	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Berry, William M.....	Assistant Secretary, Primary Textiles Institute, Montreal, Que.
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Binette Joseph.....	Assistant Overseer, Dominion Textile Co. Ltd., Montmorency Branch.
Binz, Max. E.....	President, M. E. Binz Co. Ltd., Montreal, Que.
Bishop, Charles A.....	Comptroller, Dominion Textile Co. Ltd., Head Office, Montreal, Que.
Blanchette, Roger.....	Employee, M. E. Binz Co. Ltd., Montmagny, Que.
Boell, Philippe.....	Technical Director, Canadian T.S.R. of Lyons Ltd., Cap de la Madeleine, Que.
Boisvert, Alexandra.....	Employee, Canadian T.S.R. of Lyons Ltd., Cap de la Madeleine, Que.
Boivin, Anita.....	Employee, Canadian T.S.R. of Lyons Ltd., Cape de la Madeleine, Que.
Bolduc, Eugene.....	Inspector of Industrial Establishments, Department of Labour, Quebec.
Boneille, Avan.....	Employee, Courtaulds (Canada) Ltd., Cornwall, Ont.
Bornstein, Joseph M.....	Secretary-Treasurer, Consolidated Silk Mills, Ltd., St Hyacinthe, Que.

Bouchard, Emilien.....	Secretary-Treasurer, Le Syndicat Catholique National du Textile de St. Grégoire de Montmorency, Inc.
Bouchard, Gerard.....	Employee, Canadian Cottons Ltd., Cornwall, Ont.
Bouchard, Marie.....	Employee, Associated Textiles of Canada Ltd., Louiseville, Que.
Bouchard, Romeo.....	Employee, Dominion Textile Co. Limited, Montmorency Branch.
Boucher, Alfred.....	Overseer, Dominion Textile Co. Limited, Montmorency Branch.
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Bougie, Ildege.....	Employee, Montreal Cottons Ltd., Valleyfield, Que.
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Bournival, Bruno.....	Employee, Wabasso Cotton Co. Ltd., Three Rivers, Que.
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Burns, John A.....	President and General Manager, Monarch Knitting Co. Ltd., Dunnville, Ont.
Butterworth, Harold.....	Overseer, Dominion Textile Co. Ltd., Montmorency Branch.

C

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Carpentier, Xavier.....	Employee, Associated Textiles of Canada, Ltd., Louiseville, Que.
Carrigan, George.....	Superintendent, Dominion Textile Co. Ltd., Sherbrooke, Que.
Carters, Albert.....	Employee, Courtaulds (Canada) Limited, Cornwall, Ont.
Castonguay, Jean.....	Employee, Dominion Textile Co. Ltd., Sherbrooke Branch.
Caya, Marguerite.....	Employee, Dominion Textile Co. Ltd., Sherbrooke Branch.
Chamberland, Joseph G.....	Overseer, Dominion Textile Co. Ltd., Montmorency Branch.
Champoux, Joseph.....	Employee, Wabasso Cotton Co. Ltd., Three Rivers, Que.

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Codebeck, Charles.....	City Clerk, Valleyfield, Que.
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Doner, Joseph Byron.....	Buyer, Robert Simpson Co., Montreal, Que.
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E

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Fry, William A.....	Publisher, <i>The Mercury</i> , Dunnville, Ontario.
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Glassco, J. Grant	Chartered Accountant, Clarkson, Gordon, Dilworth & Nash, Toronto, Ontario.
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Gosselin, Gerson	Ex-employee M. E. Binz Co. Ltd., Montmagny, Que.
Goulet, Wilfrid	Employee, Dominion Textile Co. Ltd., Montmorency Branch,
Granton, James J.	Union Organizer, United Textile Workers of America, Paris, Ontario.
Grenier, Lucienne	Employee, Associated Textiles of Canada Ltd., Louiseville, Que.
Gridley, Mrs. Marion	Nurse, Courtaulds (Canada) Ltd., Cornwall, Ont.
Grimard, Romeo	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Grimshaw, Walter Stanley	General Manager, Hield Bros. Ltd., Kingston, Ont.
Guimont, Lionel	Ex-employee, Montreal Cottons Ltd., Valleyfield, Que.
Gurnham, Charles William	Secretary-treasurer, Montreal Cottons Ltd., Valleyfield, Que.

H

Hallam, Major Douglas	Secretary, Primary Textiles Institute of Canada, Toronto, Ont.
Hamel, Ovila	Employee, Belding-Corticelli Limited, Montreal, Que.
Harris, James	Employee, Canadian Cottons Ltd., Cornwall, Ont.
Harries, Leonard	Ex-employee, Courtaulds (Canada) Ltd., Cornwall, Ont.
Hart, Phillip B.	Manufacturers' agent, Montreal, Que.
Heard, Arthur	Ex-employee, Courtaulds (Canada) Ltd., Cornwall, Ont.
Hebert, Fernande	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Hebert, Joseph C.	Notary, Secretary, M. E. Binz Co. Ltd., Montmagny, Que.
Henley, Achille	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Heward, C. G., K.C.	Counsel, Dominion Textile Company Ltd., Montreal, Que., and Montreal Cottons Ltd., Valleyfield, Que.
Holiday, Alfred Hamilton	Office Manager, Dominion Textile Co. Ltd., Montmorency, Que.
Holt, Sir Herbert S.	Vice-president, Dominion Textile Co. Ltd., Montreal, Que.
Hooper, Gordon E.	Customs Reviewing Appraiser, Department of National Revenue, Ottawa, Ontario.
Houle, Bertrand	Employee, Associated Textiles of Canada, Limited, Louiseville, Que.
Howard, Charles, M.P.	Sherbrooke, Que.
Howson, Ernest J.	Auditor, Thorne, Mulholland, Howson & McPherson, Toronto, Ont.
Hugo, Joseph	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Huot, Philippe	Employee, Dominion Textile Co. Ltd., Montmorency Branch,

J

Jackson, William Roper	Town assessor, Dunnville, Ontario.
Jacques, Salluste	Employee, M. E. Binz Co. Ltd., Montmagny, Que.
Johnson, Harry	Employee, Dominion Textile Co. Ltd., Montmorency Branch,
Jones, William	Secretary-treasurer, Courtaulds (Canada) Ltd., Cornwall, Ont.
Jourdain, Joseph	Employee, Montreal Cottons Ltd., Valleyfield, Que.

K

Kehl, Albert	Representing the A. B. Fisher & Co., Toronto, Ont.
Kellock, R. L., K.C.	Counsel, Primary Textiles Institute, Toronto, Ont.
Kelly, Gertrude	Employee, Belding-Corticelli Ltd., Montreal, Que.
Kershaw, John G.	Superintendent, Dominion Textile Co. Ltd., Sherbrooke Branch.
Kenyon, William Johnson	Acting-manager, Courtaulds (Canada) Ltd., Cornwall, Ont.
King, William	Managing-editor, <i>Canadian Textile Journal</i> , Montreal, Que.

L

Labbe, Camille	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Laberge, Rolland	Employee, Dominion Textile Co. Ltd., Montmorency Branch.
Labranche, Georges	Ex-employee, Dominion Textile Co. Ltd., Hochelaga Branch, Montreal, Que.
Lacasse, Yvonne	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Lacombe, Alcide	Employee, Associated Textiles of Canada Ltd., Louiseville, Que.
Laflamme, Aristide	Employee, Dominion Textile Co. Ltd., Sherbrooke, Que.
Laflamme, Ovide	Employee, Dominion Textile Co. Ltd., Sherbrooke, Que.
Laganiere, Mozart	Inspector, Women's Minimum Wage Commission, Province of Quebec.
Lafleur, Paul	Employee, Canadian T.S.R. of Lyons, Ltd., Cap de la Madeleine, Quebec.
Lajoie, Francois, K.C.	Counsel, Wabasso Cotton Co. Ltd., Three Rivers, Que.
Lalonde, Maurice	Employee, Canadian Cottons Ltd., Cornwall, Ont.
Lalonde, Oscar	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Lambert, Wilfrid	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Lamirande, Cyrille	Employee, Associated Textiles of Canada Ltd., Louiseville, Que.
Lamontagne, Leo	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Langlois, Raoul	Employee, M. E. Binz Co. Ltd., Montmagny, Quebec.
Lancôt, J. P., K.C.	Counsel, Special Committee of Primary Textiles Industry, Montreal, Que.
Lapointe, Marguerite	Employee, Dominion Textile Co. Ltd., Montmorency Branch.
Laquerre, Yvonne	Employee, Wabasso Cotton Co. Ltd., Three Rivers, Que.
Lauer, Howard	Office manager, Associated Textiles of Canada Ltd., Montreal, Que.
Lauffer, Albert	Manager, M. E. Binz Co. Ltd., Montmagny, Que.
Laurencelle, Jules	Employee, Belding-Corticelli Ltd., Montreal, Que.
Laveau, Hermilène	Employee, Canadian T.S.R. of Lyons Ltd., Cap de la Madeleine, Que.
Laverty, Arthur	Ex-employee, Courtaulds (Canada) Ltd., Cornwall, Ont.
Lavoie, Frank	Employee, Dominion Textile Co. Ltd., Montmorency Branch.
Lavoie, Joseph	Employee, Dominion Textile Co. Ltd., Montmorency Branch.
Lebœuf, Onesiphore	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Leblanc, Therese	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Leduc, Alice	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Leduc, Orilda	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Leduc, Treffe	Ex-employee, Montreal Cottons Ltd., Valleyfield, Que.
Legault, Emile	Employee, Canadian Cottons Ltd., Cornwall, Ont.
Lemay, Odile	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Lemay, Ovide	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Lemelin, Anne Marie	Employee, Dominion Textile Co. Ltd., Sherbrooke, Que.
Lemieux, Mme Amelie	Inspector, Industrial Establishments, Department of Labour, Quebec, Que.
Lepage, Adélaïde	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Leroux, Joseph	Ex-employee, Montreal Cottons Ltd., Valleyfield, Que.
Leroux, Leo	Employee, Canadian Cottons Ltd., Cornwall, Ont.
Lesage, Miville	Town clerk, Louiseville, Que.
Lessard, Pierre	Employee, Dominion Textile Co. Ltd., Montmorency Branch.

Levee, Jack P.	Executive director, National Associated Women's Wear Bureau, Montreal, Que.
Leveille, Charles	Assistant City Treasurer, Valleyfield, Que.
Levesque, Paul Emile	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Lizotte, Wilfrid	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Loiselle, Joseph	Employee, Canadian T.S.R. of Lyons, Ltd., Cap de la Madeleine, Que.
Loper, Ralph E.	President, R. E. Loper & Co., Consulting Engineers, Fall River, Mass., U.S.A.
Love, Frank	Organizer, Rayon Workers' Industrial Union, Cornwall, Ont.
Lowe, James M.	Departmental Superintendent, Montreal Cottons Co., Valleyfield, Que.
Luker, Mary	Employee, Penmans Limited, Paris, Ontario.
Lundy, Herbert W.	President Canadian Woollen and Knit Goods Manufacturers Association and Managing-Director, Penmans Limited.

M

Mack, Harold, M.D.	Cornwall, Ontario.
Magnan, Rolland	Employee, Belding-Corticelli Ltd., Montreal, Que.
Major, Joseph	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Mantha, Pacific	Employee, Dominion Textile Co. Ltd., Sherbrooke, Que.
Marcheterre, Charles	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Marquis, Alphee	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Marsh, James F.	Deputy Minister, Department of Labour, Province of Ontario.
Martel, Albani	Employee, Dominion Textile Co. Ltd., Hochelaga Br., Montreal, Que.
Marx, Jackson H.	President, Associated Textiles of Canada, Ltd., Louiseville, Que.
Mattinson, William A.	Buyer, Greenshields, Hodgson, Racine Ltd., Montreal, Que.
Matton, Eugene	Employee, Wabasso Cotton Co. Ltd., Three Rivers, Que.
Matton, Henri	Employee, Wabasso Cotton Co. Ltd., Three Rivers, Que.
Mathies, Philippe	Employee, Dominion Textile Co. Ltd., Montmorency Br.
Meury, Jean Hector	Departmental Superintendent, Montreal Cottons Ltd., Valleyfield, Que.
Michaud, Alfred	Superintendent, Dominion Textile Co. Ltd., Hochelaga Br., Montreal, Que.
Michaud, Wilfrid	Employee, Dominion Textile Co. Ltd., Montmorency Br.
Michelin, Edgar	Employee, Wabasso Cotton Co. Ltd., Three Rivers, Que.
Minville, Jeanne	Employee, M. E. Binz Co. Ltd., Montmagny, Que.
Morin, Cecile	Employee, M. E. Binz Co. Ltd., Montmagny, Que.
Morin, Wilfrid	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Morneau, Rose	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Moorehouse, Winnifred	Ex-Employee, Grout's Limited, St. Catharines, Ont.
Morrisette, Alphonse	Employee, Wabasso Cotton Co. Ltd., Three Rivers, Que.

Mc

McKissock, Harold	Employee, Courtaulds (Canada) Limited, Cornwall, Ont.
McLaren, Euclide	Employee, Canadian T.S.R. of Lyons Limited, Cap de la Madeleine, Que.
McMahon, Thomas F.	President, United Textile Workers of America, Providence, R.I., U.S.A.
McSween, Emile	Employee, Montreal Cottons Ltd., Valleyfield, Que.

Mac

MacDonnell, Hugh W.	Secretary, Industrial Relations Department, Canadian Manufacturers Association, Toronto, Ont.
MacDougall, William P.	President, Silk Association of Canada, and Vice-President, Belding-Corticelli Limited, Montreal, Que.
MacLachlan, Peter	Employee, Monarch Knitting Co. Ltd., St. Catharines, Ont.
MacLure, Diane	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.

N

Northcott, Charles..... Manager, A. H. Brown Silk Co., Toronto, Ontario.

P

Palmer, Charles W..... Vice-President, Canadian Celanese Ltd., Montreal, Que.
 Paquette, Jean..... Employee, Canadian Cottons Ltd., Cornwall, Ontario.
 Paquin, Georgette..... Employee, Dominion Textile Co. Ltd., Sherbrooke, Que.
 Paradis, Armand..... Employee, Dominion Textile Co. Ltd., Hochelaga Br.,
 Montreal, Que.
 Paris, Armand..... Employee, Montreal Cottons Ltd., Valleyfield, Que.
 Parenteau, Exidas..... Employee, Dominion Textile Co. Ltd., Hochelaga Br.,
 Montreal, Que.
 Paris, Leona..... Employee, Wabasso Cotton Co. Ltd., Three Rivers, Que.
 Parrott, Edgar..... Office Clerk, Dominion Textile Co. Ltd., Montmorency
 Branch.
 Paul, Raymond..... Employee, Associated Textiles of Canada Ltd., Louise-
 ville, Que.
 Pelletier, Lionel..... Office Manager, M. E. Binz Co. Ltd., Montmagny, Que.
 Perreault, Adrien..... Employee, Canadian T. S. R. of Lyons, Ltd., Cap de la
 Madeleine, Que.
 Perreault, Arthur..... Employee, Dominion Textile Co. Ltd., Hochelaga Br.
 Montreal, Que.
 Perreault, Paul..... Employee, Associated Textiles of Canada Ltd., Louise-
 ville, Que.
 Pilon, Emile..... Employee, Montreal Cottons Ltd., Valleyfield, Que.
 Pinatel, Jean H..... General Manager, Associated Textiles of Canada Ltd.,
 Louiseville, Que.
 Plante, Simon..... Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
 Plourde, Charles E..... Employee, Montreal Cottons Ltd., Valleyfield, Que.
 Poliquin, Alfred..... Overseer, Dominion Textile Co. Ltd., Montmorency Br.
 Pombert, Donat..... Employee, Associated Textiles of Canada Ltd., Louise-
 ville, Que.
 Prescott, Patrick..... Employee, Canadian T.S.R. of Lyons, Ltd., Cap de la
 Madeleine, Que.
 Proulx, Armand..... Employee, Canadian Cottons Ltd., Cornwall, Ontario.
 Proulx, Mozart..... Employee, Canadian Cottons Ltd., Cornwall, Ontario.
 Provencher, Mme Rose..... Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
 Punch, Mrs. Cora..... Ex-Employee, Monarch Knitting Co. Ltd., St. Cath-
 arines, Ont.

Q

Quenneville, Alfred..... Employee, Montreal Cottons Ltd., Valleyfield, Que.
 Quenneville, Jeremie..... Employee, Canadian Cottons Ltd., Cornwall, Ontario.
 Quessy, Simone..... Employee, Associated Textiles of Canada Ltd., Louise-
 ville, Que.

R

Racine, Alice..... Ex-forelady, Courtaulds (Canada) Ltd., Cornwall, Ont.
 Reid, John Manager, Stock Transfer Department, Royal Trust Co.,
 Montreal, Que.
 Riel, Bernard Employee, Dominion Textile Co., Ltd., Sherbrooke Br.
 Riel, Rene Employee, Dominion Textile Co., Ltd., Sherbrooke Br.
 Ringuet, Wilfrid A..... Town Clerk, Montmagny, Que.
 Robichon, Georges Henri, O.B.E.,
 Chevalier de la Legion d'Honneur.
 K.C. Mayor, Three Rivers, Que.
 Robidoux, William Overseer, M. E. Binz Co. Ltd., Montmagny, Que.
 Robillard, Rene Employee, Wabasso Cotton Co. Ltd., Three Rivers, Que.
 Robinson, Charles B..... Secretary-Treasurer, Penmans Ltd., Paris, Ontario.
 Robinson, William Wallace..... Representing W. Robinson & Son, Converters Ltd., To-
 ronto, Ontario.

Rousseau, Louis	Overseer, Dominion Textile Co. Ltd., Sherbrooke Br.
Rousseau, Phillippe, B.S., LL.B.....	Counsel, Town of Montmagny, Que.
Rousseau, Sylvio	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Ruel, Georges	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.

S

Saint-Onge, Gontran, K.C.....	Ex-M.L.A., Valleyfield, Que.
Saucier, Jacques	Office Clerk, Associated Textiles of Canada Ltd., Louiseville, Que.
Sauve, Arthur	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Sauve, Rene	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Savoie, Alphondor	Employee, Wabasso Cotton Co. Ltd., Three Rivers, Que.
Scott, Louis	Ex-Employee, Monarch Knitting Co. Ltd., St. Catharines, Ont.
Senecal, Jeannette	Employee, M. E. Binz Co. Ltd., Montmagny, Que.
Sergeant, Matthew H.	Ex-Employee, Campbellford Cloth Co. Ltd., Campbellford, Ont.
Seigny, Wilfrid E.....	Organizer, Syndicats Catholiques, Montreal, Que. ✓
Shepard, Alfred	Auditor, Thorne, Mulholland, Howson & McPherson, Toronto, Ont.
Shields, Edna	Employee, Penmans Ltd., Paris, Ontario.
Simard, Adelard	Employee, Dominion Textile Co. Ltd., Montmorency Br.
Smith, Leslie	Employee, Penmans Ltd., Paris, Ontario.
Sperling, Rochfort	Factory Manager, Canadian Celanese Ltd., Drummondville, Que.
Sugden, Percy	Employee, Penmans Ltd., Paris, Ontario.
Surplis, Earl P.	Buyer, The T. Eaton Co., Ltd., Montreal, Que.
Switzer, Thomas D.	Buyer, The T. Eaton Co. Ltd., Toronto, Ont.

T

Taylor, Brinley	Director and Sales Manager, Courtaulds (Canada) Ltd., Cornwall, Ont.
Taylor, Norman	Employee, Penmans Limited, Paris, Ontario.
Tessier, Gordon	Employee, Canadian Cottons Ltd., Cornwall, Ont.
Theberge, Didace	Employee, Dominion Textile Co. Ltd., Montmorency Br.
Theoret, Marcel	Employee, Montreal Cottons Ltd., Valleyfield, Que.
Theriault, Patrick	Inspector, Industrial Establishments, Department of Labour, Que.
Thiffault, Marguerite	Employee, Canadian T.S.R. of Lyons, Ltd., Cap de la Madeleine, Que.
Thivierge, Ernest	Employee, Belding-Corticelli Ltd., Montreal, Que.
Thompson, Edgar J.	President, Canadian Silk Products Ltd., Sherbrooke, Que.
Thomson, Richard	Former General Manager, Penmans Ltd., Paris, Ont.
Tolmie, Roderick G.....	General Manager, Canadian Cottons Limited, Montreal, Que.
Tondreau, Eugene	Montmagny, Que.
Tondreau, Therese	Employee, M. E. Binz Co. Ltd., Montmagny, Que.
Therrien, Wilfrid	Employee, M. E. Binz Co. Ltd., Montmagny, Que.
Tousignant, Germaine	Employee, Associated Textiles of Canada Ltd., Louiseville, Que.
Tremblay, Edouard	Employee, Dominion Textile Co. Ltd., Montmorency Br.
Tremblay, Hermenegilde	Employee, Dominion Textile Co. Ltd., Montmorency Br.
Tremblay, Rene	Employee, Dominion Textile Co. Ltd., Montmorency Br.
Tremblay, Leopold	Overseer, Dominion Textile Co. Ltd., Montmorency Br.
Tremblay, Thomas	Counsel, M. E. Binz Co. Ltd., Montmagny, Que.
Tremblay, Viola	Employee, Canadian Cottons Ltd., Cornwall, Ont.

V

Vachon, Adonias	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Vachon, Isabelle	Employee, Dominion Textile Co. Ltd., Sherbrooke Br.
Vallieres, Noella	Employee, Associated Textiles of Canada Ltd., Louiseville, Que.
Vezina, Francois	Professor of Economics, University of Montreal, Montreal, Que.
Vezina, Omer	Assistant Overseer, Dominion Textile Co. Ltd., Montmorency Br.

Viau, Antonio Employee, Montreal Cottons Ltd., Valleyfield, Que.
 Villeneuve, Clermont Overseer, Montreal Cottons Ltd., Valleyfield, Que.
 Voyer, Jean Baptiste Employee, Courtaulds (Canada) Ltd., Cornwall, Ont.

W

Watson, Hugh M. Secretary, Canadian Cottons Ltd., Montreal, Que.
 Watson, Patrick Employee, Canadian Cottons Ltd., Cornwall, Ont.
 Watson, Pierce R. General Manager, Grout's Limited, St. Catharines, Ont.
 Welch, Alexander Secretary, Local 2495, United Textile Workers of America, Toronto, Ont.
 Whitehead, Charles Ross. President, Wabasso Cotton Co. Ltd., Three Rivers, Que.
 Whitehead, William James. Managing-Director, Wabasso Cotton Co. Ltd., Three Rivers, Que.
 Wilson, Phyllis Employee, Penmans Ltd., Paris, Ontario.
 Woodward, Cyril F. Secretary-Treasurer, Grout's Limited, St. Catharines, Ont.

Y

Young, Alan V. President, Cotton Institute of Canada, and President, Hamilton Cotton Co. Ltd.

APPENDIX B

LIST OF DOCUMENTARY EXHIBITS FILED WITH COMMISSION

EXHIBIT
No.

- 1—Order in Council P.C. 223, dated January 27, 1936, *re* inquiry into the textile industry.
- 2—Letter from F. C. Daniels, Manager Grey Mill Operations, Dominion Textile Co. Ltd., to J. G. Kershaw, General Superintendent, dated December 30, 1935, *re* operation of mill.
- 3—Letter from G. B. Gordon to J. G. Kershaw dated January 15, 1936, *re* closing down Sherbrooke Rayon Division.
- 4—Letter from F. C. Daniels to Dominion Textile Co. Ltd., Sherbrooke, dated January 15, 1936, *re* closure of Sherbrooke Rayon Division.
- 5—Letter from Comptroller, Dominion Textile Co. Ltd., to J. G. Kershaw, dated January 24, 1936, *re* resuming operations in Sherbrooke Rayon Division.
- 6—Letter from Comptroller, Dominion Textile Co. Ltd., to J. G. Kershaw, dated January 25, 1936, *re* operating schedule.
- 7—Letter from Comptroller, Dominion Textile Co. Ltd., to J. G. Kershaw, dated January 30, 1936, *re* schedule to be followed.
- 8—Letter from Comptroller, Dominion Textile Co. Ltd., to J. G. Kershaw, dated February 1, 1936, *re* schedule to be followed.
- 9—Samples of rayon fabrics, styles RA1, RA2 and RA3, Dominion Textile Co. Ltd.
- 10—Letter dated February 5, 1936, from Comptroller, Dominion Textile Co. Ltd., to J. G. Kershaw, *re* schedule to be followed.
- 11—Letter from H. A. Gilbert to F. R. Daniels, Dominion Textile Co. Ltd., dated December 26, 1935, *re* production.
- 12—Statement of annual production and wages in Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd., for fiscal years 1929 to 1935 inclusive.
- 13—Inventory of Sherbrooke Rayon Division, Dominion Textile Co., Ltd., on December 28, 1935.
- 14—Machinery list, Weaving Department, Cotton Division, Sherbrooke plant, Dominion Textile Co. Ltd., as at March 10, 1936.
- 15—Black Book of M. L. Breton, Sherbrooke Employee, Dominion Textile Co., Ltd., showing piece work and earnings.
- 16—30 pay envelopes, M. L. Breton, Dominion Textile Co. Ltd., Sherbrooke Branch.
- 17—6 pay envelopes, C. Destremes, Dominion Textile Co. Ltd., Sherbrooke Branch.
- 18—32 pay envelopes, C. Destremes, Dominion Textile Co. Ltd., Sherbrooke Branch.
- 19—17 pay envelopes, Henri Dubois, Dominion Textile Co. Ltd., Sherbrooke Branch.

EXHIBIT
No.

- 20—Payroll for week ending December 26, 1931, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 21—Payroll for week ending December 31, 1932, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 22—Payroll for week ending December 30, 1933, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 23—Payroll for fortnight ending December 22, 1934, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 24—Payroll for fortnight ending December 21, 1935, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 25—Payroll for fortnight ending, January 4, 1936, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 26—Payroll for fortnight ending January 18, 1936, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 27—Payroll for fortnight ending February 1, 1936, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 28—Payroll for fortnight ending, February 15, 1936, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 29—Payroll for fortnight ending February 29, 1936, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 30—Payroll for fortnight ending December 21, 1935, Rayon Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 31—Payroll for fortnight ending February 15, 1936, Rayon Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 32—27 pay envelopes, M. Antoine Bélanger, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 33—Fortnightly Time Book, Jean Castonguay, Acting Time Keeper, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 34—Fortnightly Time Book, Emile Gilbert, Dominion Textile Co. Ltd., Sherbrooke Branch.
- 35—Group Insurance Plan, Metropolitan Life Insurance Co., and statement showing employees and Dominion Textile Company's contributions to premiums.
- 36—Statement of Inventories, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd., from July 1, 1933, to December 28, 1935.
- 37—Statement of Inventories, Rayon Division, Sherbrooke Branch, Dominion Textile Co. Ltd., for quarter ending September 28, 1935, and December 28, 1935.
- 38—Summary of Production, Salaries and Wages and number of employees, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd., July 1, 1933, to January 4, 1936.
- 39—Statement of actual earnings for each occupation for 55-hour week, Cotton Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 40—Statement of number of piece workers and rate workers in Cotton and Rayon Divisions, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 41—Statement of actual earnings for each occupation, Rayon Division, Sherbrooke Branch, Dominion Textile Co. Ltd.
- 42—Statement of fortnightly production, Rayon Division, Sherbrooke Branch, Dominion Textile Co. Ltd., from October 12, 1935, to March 14, 1936.
- 43—Statement of weekly shipments from Rayon Division, Sherbrooke Branch, Dominion Textile Co. Ltd., October 5, 1935 to March 14, 1936.
- 44—Statement of weekly stocks of rayon cloth on hand at Sherbrooke Branch, Dominion Textile Co. Ltd., October 12, 1935 to March 7, 1936.
- 45—Statement of cost of 156 Model "x" looms.
- 46—Record of Loom Hours operated in Rayon Division, Sherbrooke Branch, Dominion Textile Co. Ltd., November 16, 1935 to February 29, 1936.
- 47—Letter from Roger D. Labrie, Secretary United Textile Workers of America, to Wm. Whitehead, Manager, Wabasso Cotton Co. Ltd., dated February 4, 1936.
- 48—Copy of ballot of Local 2467 de l'Union du Textile, showing vote.
- 49—Copy of agreement dated February 20, 1936, between the Wabasso Cotton Co. Ltd., and the St. Maurice Valley Cotton Mills Ltd., and employees.
- 50—Copy of telegram from Roger D. Labrie, Secretary, Local 2467, United Textile Workers of America, to Hon. Norman Rogers, Minister of Labour, dated February 28, 1936, *re* strike at Wabasso Cotton Co. Ltd.
- 51—Copy of telegram from Hon. Norman Rogers to Roger D. Labrie, dated February 29, 1936, *re* strike at Wabasso Cotton Co. Ltd.
- 52—Copy of telegram from Roger D. Labrie, to Hon. Norman Rogers, dated March 1, 1936, *re* strike at Wabasso Cotton Co. Ltd.
- 53—Specimen of pay envelope, Wabasso Cotton Co. Ltd.
- 54—Constitution and By-laws of the United Textile Workers of America.
- 55—Certificate dated March 25, 1936, showing number of members of local 2467, United Textile Workers of America.

EXHIBIT

No.

- 56—Copy of "Le Nouvelliste," Three Rivers, February 25, 1936.
- 57—Copy of "Le Nouvelliste," Three Rivers, February 24, 1936.
- 58—Basis of agreement between Wabasso Cotton Co. Ltd., and its employees, August 28, 1935.
- 59—Copy of letter dated January 3, 1935, from Mr. A. C. Carle, Inspector, Service d'Inspection, Ministère du Travail, Quebec, to Mr. J. P. S. Desrochers, Chief Inspector and Mr. Desrochers' reply dated January 4, 1935 *re* plant condition at Wabasso Cotton Co. Ltd.
- 60—Copy of letter dated May 16, 1935, from Mr. A. C. Carle to Mr. J. P. S. Desrochers, *re* working hours, Wabasso Cotton Co. Ltd.
- 61—Permit dated August 6, 1935, authorizing Wabasso Cotton Co. Ltd. to use the double gang arrangement; together with letter to Mr. A. C. Carle from Assistant Inspector in Chief, dated July 19, 1935.
- 62—Copy of Order No. 5 (Revised), Textile Trades, Minimum Wage Board, Province of Quebec.
- 63—Two pay envelopes, Nos. 2284 and 2313 of Miss Leona Paris, Wabasso Cotton Co. Ltd.
- 64—Report of work of Miss Yvonne Laquerre, Wabasso Cotton Co. Ltd., fortnights ending January 5, 1935 to October 12, 1935.
- 65—Record of "bad work" of Miss Yvonne Laquerre, Wabasso Cotton Co. Ltd., February 2, 1935 to August 17, 1935.
- 66—Time and Wage Book of Joseph Champoux, Wabasso Cotton Co. Ltd.
- 67—Two pay envelopes of Joseph Champoux, Wabasso Cotton Co. Ltd.
- 68—Three pay envelopes of Joseph Champoux, Wabasso Cotton Co. Ltd.
- 69—Four pay envelopes of Joseph Champoux, Wabasso Cotton Co. Ltd.
- 70—Extract from a mill notice giving piece rates per 1,000 picks and number of looms per weaver—Wabasso Cotton Co. Ltd.
- 71—Pay envelope—Alphonse Savoie—Wabasso Cotton Co. Ltd.
- 72—Fourteen pay envelopes—Wilfrid Lizotte—Wabasso Cotton Co. Ltd.
- 73—Thirty-one pay envelopes—Wilfrid Lizotte—Wabasso Cotton Co. Ltd.
- 74—Annual Reports, Wabasso Cotton Co. Ltd., 1922 to 1935 inclusive.
- 75—Statement showing production and wages of Wabasso Cotton Co. Ltd. from 1917 to 1935.
- 76—Statement showing number of employees of Wabasso Cotton Co. Ltd., from 1917 to 1936 inclusive.
- 77—Summary of wages and salaries paid, 1921 to 1935, Wabasso Cotton Co. Ltd.
- 78—Payroll Analysis for last two weeks of February, 1933—Wabasso Cotton Co. Ltd.
- 79—Payroll Analysis for last two weeks of February, 1934—Wabasso Cotton Co. Ltd.
- 80—Payroll Analysis for last two weeks of February, 1935—Wabasso Cotton Co. Ltd.
- 81—Payroll Analysis for last two weeks of February, 1936—Wabasso Cotton Co. Ltd.
- 82—Payroll for last two weeks of January, 1936—Wabasso Cotton Co. Ltd.
- 83—Statement of Average Piecework Earnings for Weavers on Draper Automatic Looms for fortnightly periods in February of each year from 1931 to 1935—Wabasso Cotton Co. Ltd.
- 84—Average Actual earnings of weavers on automatic sheeting looms in February of each year from 1931 to 1935, Wabasso Cotton Co. Ltd.
- 85—Average actual piecework earnings, with basic rate, of weavers, on Lancashire looms in February of each year from 1931 to 1935—Wabasso Cotton Co. Ltd.
- 86—Average actual piecework earnings of mule and ring spinners in February of each year from 1931 to 1935—Wabasso Cotton Co. Ltd.
- 87—Statement showing basic rates for piecework by occupations, 1932, Wabasso Cotton Co. Ltd.
- 88—Statement showing basic rates for piecework by occupations, 1935, Wabasso Cotton Co. Ltd.
- 89—Payroll for last two weeks of February, 1935—Wabasso Cotton Co. Ltd.
- 90—Payroll for last two weeks of February, 1934—Wabasso Cotton Co. Ltd.
- 91—Payroll for last two weeks of February, 1933—Wabasso Cotton Co. Ltd.
- 92—Payroll for last two weeks of February, 1932—Wabasso Cotton Co. Ltd.
- 93—Payroll for last two weeks of February, 1931—Wabasso Cotton Co. Ltd.
- 94—Statement showing deliveries of yarn and fabrics, February and July, 1926 to 1936—Wabasso Cotton Co. Ltd.
- 95—Analysis of sales by commodity groups (exclusive of sheets, slips and yarn), 1931 to 1934, inclusive—Wabasso Cotton Co. Ltd.
- 96—Analysis of sales of sheets, slips and yarn, 1931 to 1935—Wabasso Cotton Co. Ltd.
- 97—Statement of tax commutation given Wabasso Cotton Co. Ltd. by City of Three Rivers, January 11, 1935.
- 98—Statement of executive salaries paid by Wabasso Cotton Co. Ltd. from 1929 to 1934.

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- 99—Statement showing value of manufactured products sold, profits, bond interest and dividends of Wabasso Cotton Co. Ltd., 1917 to 1927.
- 100—Annual Financial Statements of Shawinigan Cotton Co. Ltd. for the years 1911 to 1935.
- 101—File of correspondence from Department of National Revenue relating to tariff on corset cloth.
- 102—Copy of letter from Wabasso Cotton Co. Ltd., to Sir George Perley April 25, 1931, and acknowledgment of Sir George Perley.
- 103—Chart showing monthly production, consumption and waste of rayon from 1928 to 1936, Wabasso Cotton Co. Ltd.
- 104—Copy of brief dated February 5, 1931, submitted by Cotton Companies to the Rt. Hon. R. B. Bennett, Prime Minister.
- 105—Copy of letter dated September 16, 1930, from Wabasso Cotton Co. Ltd. to the Rt. Hon. R. B. Bennett *re* Tariff.
- 106—Copies of letters to Hon. Arthur Sauve and replies thereto, September 1930, and February and April, 1931.
- 107—Copy of letter dated September 1, 1930, from Wabasso Cotton Co. Ltd., to A. O. Dawson, Canadian Cottons Ltd.
- 108—Copy of brief submitted to Tariff Board by Wabasso Cotton Co. Ltd. in 1927.
- 109—Statement of costs of production with samples of certain lines of goods manufactured by Wabasso Cotton Co. Ltd.
- 110—Newspaper clipping from *Daily Dispatch*, Manchester, England, March 18, 1936.
- 111—Statement showing average cost of weaving at Wabasso Cotton Co., Ltd., for year ending June 25, 1935.
- 112—Blank form of Employees' contract—Wabasso Cotton Co. Ltd.
- 113—Financial history of Wabasso Cotton Co. Ltd. published by The Financial Post Corporation Service (Revised August 10, 1934).
- 114—Statement showing piecework rates for weavers on wide looms, August 26, 1935—Wabasso Cotton Co. Ltd.
- 115—Statement showing piecework rates for weavers on narrow looms, August 26, 1935, Wabasso Cotton Co. Ltd.
- 116—List of members of Industrial Committee of Wabasso Cotton Co., Ltd., for the year 1935.
- 117—Statement showing municipal taxes paid by Wabasso Cotton Co. Ltd. for the year 1935.
- 118—Certified copy of tax roll showing assessment of Wabasso Cotton Co. Ltd. in Three Rivers, 1936.
- 119—Statement showing average earnings by occupations for 48-hour period ended September 1, 1935—Wabasso Cotton Co. Ltd.
- 120—Statement showing average earnings by occupations, male and female, for 55-hour period, 1932—Wabasso Cotton Co. Ltd.
- 121—Statement showing raw cotton purchases, 1928 to 1935—Wabasso Cotton Co. Ltd.
- 122—Extract from Assessment Roll of Cap de la Madeleine, relating to Canadian T.S.R. of Lyons Ltd., together with copy of By-law No. 115 and copy of letter dated December 3, 1928, from Claude Denis.
- 123—Copy of Order No. 6, Minimum Wage Board, Province of Quebec, dated June 27, 1928.
- 124—Summary of tariff rates on yarns and fabrics of artificial silk.
- 125—Memorandum *re* practical effect of P.C. 3013, December 12, 1931 (Fixed Valuation of \$1.25).
- 126—Memorandum *re* duty payable since January 1, 1936, on 27-inch piece dyed plain taffeta imported from Japan.
- 127—Memorandum of importations of artificial silk fabrics from Japan, January to March, 1936.
- 128—Seven samples of taffeta imported from Japan, February, 1936.
- 129—Memorandum *re* artificial silk fabrics, shipments and yardage, Canadian Mills, January and February, 1935 and 1936.
- 130—Statement of stock of rayon fabrics and mixtures on hand, Verdun Branch, Dominion Textile Co. Ltd., September 29, 1934, to April 27, 1935.
- 131—Statement of stock of rayon and mixtures on hand, Magog Print Works, Dominion Textile Co. Ltd., September 27, 1934, to April 27, 1935, and from September 28, 1935, to March 2, 1936.
- 132—Statement of specified orders on hand at Magog Print Works, Dominion Textile Co. Ltd., January, February, 1935 and 1936, by weeks.
- 133—Summary of Canadian tariff rates on principal cotton fabrics.

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- 134—Eight pay envelopes—Miss Diane Maclure, Rayon Branch, Sherbrooke—Dominion Textile Co. Ltd.
- 135—Stocks of rayon on hand, Dominion Textile Co. Ltd., December 8, 1934, to March 7, 1936 (Verdun, Magog and Sherbrooke).
- 136—Statement of Rayon Print Sales, Dominion Textile Co. Ltd., weeks of March 7, 14, and 21, 1935 and 1936.
- 137—Memorandum of Bulletins, Customs Division, Department of National Revenue.
- 138—Bulletins on Foreign Depreciated Currencies, Department of National Revenue.
- 139—Appraisers' Bulletin 4239, Department of National Revenue, *re* United States excise and processing taxes.
- 140—Departmental Memorandum on Surtax on Japanese goods, 24th July, 1935.
- 141—Memorandum *re* Tariff on Cotton yarns other than mercerized, since 1907.
- 142—Copy of letter dated January 10, 1936, from Department of National Revenue to Appraisers.
- 143—Statement of duty based on Japanese fabric valued at 70 cents per pound.
- 144—Memorandum from Canadian Cottons Ltd., dated April 2, 1936 (referred to in Ex. 129).
- 145—Rates of wages calculated from Exhibit 27, Cotton Division, Dominion Textile Co. Ltd., Sherbrooke.
- 146—Six samples of rayon cloth manufactured by Montreal Cottons Ltd. (with statement of costs).
- 147—Statement of corrected costs for two samples in Exhibit No. 146, Montreal Cottons Ltd.
- 148—Copy of letter dated January 4, 1936, from A. B. Fisher & Co., to L. W. Anderson, agent, Montreal. (See also Ex. No. 417).
- 149—Letter from G. Blair Gordon, Dominion Textile Co. Ltd. dated January 16, 1936, to Mr. Hector McKinnon, Commissioner of Tariff.
- 150—Letter from G. Blair Gordon, Dominion Textile Co. Ltd., dated January 16, 1936, to Mr. H. B. McKinnon, Commissioner of Tariff.
- 151—Copy of letter from A. B. Fisher Company, dated January 14, 1936, to Messrs. L. W. Anderson.
- 152—Telegram, dated January 17, 1936, from *Montreal Gazette* to Mr. G. Blair Gordon, *re* closure of Sherbrooke mill
- 153—One pay envelope—Mr. Philippe Mathieu, Montmorency Branch, Dominion Textile Co. Ltd.
- 154—Twelve pay envelopes—Mr. H. Tremblay, Montmorency Branch, Dominion Textile Co. Ltd.
- 155—Three pay envelopes—Mr. Rene Tremblay, Montmorency Branch, Dominion Textile Co., Ltd.
- 156—Three pay envelopes—Mr. Pierre Lessard, Montmorency Branch, Dominion Textile Co. Ltd.
- 157—Eleven pay envelopes—Mr. R. De Blois, Montmorency Branch, Dominion Textile Co. Ltd.
- 158—Thirty-two pay envelopes, 1935-1936—Miss Idola Berube, Montmorency Branch, Dominion Textile Co. Ltd.
- 159—Anonymous letter dated March 30, 1934, addressed to the Hon. Mr. Arcand, Minister of Labour, Quebec, and copy of letter dated April 4, 1934, to Chief Inspector of Labour, together with copy of report of inspector.
- 160—Copies of letters from Dominion Textile Co to Chief Inspector asking for permits to work employees overtime at Montmorency Branch, 1933, 1934 and 1935.
- 161—Thirty-four receipts in payment of subscription for one share of M. E. Binz Co. Ltd., by Mlle J. Minville.
- 162—Pay list of Mlle Minville, M. E. Binz Co. Ltd., 9th January, 1932, to April 11, 1936.
- 163—Subscription of Mlle Minville for share of stock of M. E. Binz Co. Ltd., and authorization to company to deduct 25 per cent from each wage payment of Mlle Minville.
- 164—Nine pay envelopes—Mlle Berthe Gosselin, M. E. Binz Co. Ltd.
- 165—Pay list of Mr. H. Collin, 9th July, 1932, to April 11, 1936, M. E. Binz Co. Ltd.
- 166—Pay list of Mlle Cecile Morin, M. E. Binz Co. Ltd., ten fortnightly records, 3rd September, 1932, to 10th November, 1934.
- 167—Silk Inspector's Tally, M. E. Binz Co. Ltd.
- 168—Pay list of Mlle Jeannette Senechal, M. E. Binz Co. Ltd., for four fortnightly periods, November 10, 1934, to March 14, 1936.
- 169—Pay list of Mr. R. Caron, M. E. Binz Co., for eleven fortnightly periods from January 9, 1931, to May 13, 1935.
- 170—Pay list of Mr. Roger Blanchette, M. E. Binz Co. Ltd., for fourteen fortnightly periods, January 1, 1934, to February 1, 1936.

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- 171—Pay list of Mr. R. Gendron, M. E. Binz Co. Ltd., twenty fortnightly periods, 17th September, 1932, to September 28, 1935.
- 172—Pay list of Mr. S. Jacques, M. E. Binz Co. Ltd., eight fortnightly periods, September 1, 1934, to February 15, 1936.
- 173—Pay list of Mr. Raoul Langlois, M. E. Binz Co. Ltd., ten fortnightly periods, November 24, 1934, to October 12, 1935.
- 174—Pay list of Mr. R. Langlois, M. E. Binz Co. Ltd., for fortnight ending March 28, 1936.
- 175—Pay roll of M. E. Binz Co. Ltd. for the two weeks ending February 18, 1936.
- 176—Statement by years showing number of employees of M. E. Binz Co. Ltd. earning less than 12½, 17c, 21c and 21c and over, 1932 to 1935.
- 177—Analysis of payroll of M. E. Binz Co. Ltd. for December, 1935.
- 178—Payroll of M. E. Binz Co. Ltd., for two weeks ending February 17, 1934.
- 179—Payroll of M. E. Binz Co. Ltd. for two weeks ending March 2, 1935.
- 180—Payroll of M. E. Binz Co. Ltd. for two weeks ending February 29, 1936.
- 181—Statement of Production and Wages, M. E. Binz Co. Ltd., for June 30, 1933 to 1936.
- 182—Financial statement of M. E. Binz Co. Ltd., for the year ending June 30, 1933.
- 183—Financial statement of M. E. Binz Co. Ltd. for the year ending June 30, 1934.
- 184—Financial statement of M. E. Binz Co. for year ending June 30, 1935.
- 185—Statement of workers over and under 18 years of age, by years, 1932 to 1936—M. E. Binz Co. Ltd.
- 186—Copy of letters patent granted to M. E. Binz Co. Ltd. dated October 29, 1930.
- 187—Copy of supplementary letters patent granted to M. E. Binz Co. Ltd., dated March 28, 1935.
- 188—Blank copy of preferred share of M. E. Binz Co. Ltd.
- 189—Certified copy of extract from minutes of meeting of M. E. Binz Co. Ltd., held March 5, 1936.
- 190—Guide to Montmagny, 1934-1935.
- 191—Extract from Tax Rolls of Montmagny showing tax commutation for M. E. Binz Co. Ltd.
- 192—Copies of Tax Bills of M. E. Binz Co. Ltd., 1932-1933, to 1935-1936.
- 193—File of correspondence between M. E. Binz Co. Ltd. and Department of Labour, Quebec, re wage scale.
- 194—Statement of number of experienced and inexperienced employees of M. E. Binz Co. Ltd., March, 1936.
- 195—Pay list of Mme Alfred Dutille, M. E. Binz Co. Ltd., for twelve fortnightly periods, January 9, 1932, to February 1, 1936.
- 196—Correspondence between head office and Montmorency Branch, Dominion Textile Co. Ltd., January 10, 1935, May 16, 1935, January 17, 1936, re payroll piece work summary.
- 197—Production reports, Spinning Room, January 9, 1932, to January 30, 1932, Dominion Textile Co. Ltd., Montmorency Branch.
- 198—Production Reports, Woollen Mule Spinning Room, January 9, 1932, to January 16, 1932, Dominion Textile Co. Ltd., Montmorency Branch.
- 199—Production reports, Card Room, January 7-14, 1933, Dominion Textile Co. Ltd., Montmorency Branch.
- 200—Production Reports, Skein Winding, Reeling and Twisting Departments, fortnight ending January 16, 1932, Dominion Textile Co. Ltd., Montmorency Branch.
- 201—Title and occupation sheets and rate lists, Montmorency Branch, Dominion Textile Co. Ltd.
- 202—Spindle sheet for week ending March 28, 1936, Montmorency Branch, Dominion Textile Co. Ltd.
- 203—Statements of employees of Montmorency Branch, Dominion Textile Co. Ltd., according to weekly wage payments (D.B.S. reports), 1934 and 1935.
- 204—Operating cost sheets for twelve-week periods (March 28, 1936), Montmorency Branch, Dominion Textile Co. Ltd.
- 205—Summary of piece work earnings, fortnight ending February 15, 1936, Montmorency Branch, Dominion Textile Co. Ltd.
- 206—Copy of Schedule of Minimum Wage Board, for M. E. Binz Co. Ltd., January 27, 1936.
- 207—Copies of Minimum Wage Schedules for M. E. Binz Co. Ltd., from 1932 to 1935.
- 208—Copies of Inspection Reports of M. E. Binz Co. Ltd. by Quebec Department of Labour, 1932 to 1936.
- 209—Copy of basis of verbal agreement referred to in Minutes of M. E. Binz Co. Ltd., December, 1935.
- 210—Statement of rates of wages in certain Montmagny concerns.
- 211—Copy of Payroll, M. E. Binz Co. Ltd., for fortnight ending February 29, 1936 (Duplicate of Exhibit No. 180).

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- 212—Statement of Production, M. E. Binz Co. Ltd., January 6 to April 11, 1936.
- 213—Break-down of sundry selling expenses, Montreal, M. E. Binz Co. Ltd., 1933-34, 1934-35.
- 214—Statement of machinery, M. E. Binz Co. Ltd., June 30, 1935.
- 215—Statement of Customs Duty paid on machinery by M. E. Binz Co. Ltd.
- 216—Statement of salaries of M. E. Binz Co. Ltd., 1933-1935.
- 217—Statement of agreements between M. E. Binz Co. Ltd. and Canadian Factors Ltd., and Schuler Agencies Ltd.
- 218—Samples of all silk fabrics and statement of costs per yard, M. E. Binz Co. Ltd.
- 219—Sample of all-rayon (rough crepe) and statement of cost per yard, M. E. Binz Co. Ltd.
- 220—List of preferred stockholders and common shareholders, M. E. Binz Co. Ltd.
- 221—Minutes of certain directors meeting and general meetings of M. E. Binz Co. Ltd., 1931 to 1936.
- 222—Statement of salaries of Mr. J. C. Hebert, M. E. Binz Co. Ltd. 1932-1935.
- 223—Copy of agreement between the town of Louiseville and the Associated Textiles of Canada Ltd. in respect to water taxes, etc., June, 1929.
- 224—Copy of modification of agreement between town of Louiseville and Associated Textiles of Canada Ltd., August, 1929.
- 225—Statement of Municipal and Water taxes paid by Associated Textiles of Canada Ltd., 1929-1935.
- 226—Copy of assessment roll showing valuations and assessment of Associated Textiles of Canada Limited.
- 227—Analysis of employees by hourly rates, Associated Textiles of Canada Ltd.
- 228—Payroll list, Associated Textiles of Canada Ltd.
- 229—Piece Rates, Throwing and Weaving Department, Associated Textiles of Canada Ltd.
- 230—Statement of list of stockholders of Associated Textiles of Canada Ltd.
- 231—Financial statements of Associated Textiles of Canada Ltd., February 1, 1930, to August 2, 1930.
- 232—Auditor's statement for period ending July 31, 1931.
- 232A—Balance sheet for year ending July 31, 1931—Associated Textiles of Canada Ltd.
- 233—Financial statement for year ending July 31, 1932—Associated Textiles of Canada Ltd.
- 234—Financial statement for year ending July 31, 1933—Associated Textiles of Canada Ltd.
- 235—Financial statement for year ending July 31, 1934—Associated Textiles of Canada Ltd.
- 236—Financial statement for year ending July 31, 1935—Associated Textiles of Canada Ltd.
- 237—Statement of salaries and bonuses of officers and salaried employees receiving \$1,000 per annum or over, Associated Textiles of Canada Ltd., 1931, 1932, 1933, 1934 and 1935.
- 238—Statement of wages and salaries of mill employees of Associated Textiles of Canada Ltd., for years ending July 31, 1931 to 1935.
- 239—Form of Insurance Policy for group insurance with Metropolitan Life Insurance Co.
- 240—Statement of Unit cost of production, Associated Textiles of Canada Ltd., February of each year, 1932 to 1936.
- 241—Census of Industry reports of wage earners, Associated Textiles of Canada Ltd., 1934 and 1935.
- 242—Financial Statements of Rayons (Canada) Ltd.—July 31, 1933.
- 243—Financial Statements of Rayons (Canada) Ltd.—July 31, 1934.
- 244—Financial Statements of Rayons (Canada) Ltd.—July 31, 1935.
- 245—Financial Statements of Ultra Chemical Co. Ltd.—July 31, 1932.
- 246—Financial Statements of Ultra Chemical Co. Ltd.—July 31, 1933.
- 247—Financial Statements of Ultra Chemical Co. Ltd.—July 31, 1934.
- 248—Financial Statements of Ultra Chemical Co. Ltd.—July 31, 1935.
- 249—Financial Statement of Associated Textiles of London, July 31, 1934.
- 250—Financial Statement of Associated Textiles of London, July 31, 1935.
- 251—Statement of Salaries and Bonuses paid by Rayons Canada Ltd. for years 1933, 1934, 1935.
- 252—Statement of Salaries and Bonuses paid by Ultra Chemical Co. Ltd. for years 1932, 1933, 1934 and 1935.
- 253—Statement of sales of Associated Textiles of Canada Ltd., to Kaymar Ltd., for years 1930 to 1936.
- 254—Statement of population of Louiseville by years, 1929 to 1935.
- 255—Statement of employees according to hourly rates of wages, 1933, 1934 and 1935.
- 256—Sample of rayon (No. 2024) with cost sheet attached—Associated Textiles of Canada Ltd.
- 257—Sample of rayon (No. 2820) with cost sheet attached—Associated Textiles of Canada Ltd.
- 258—Sample of weighted silk (No. 1400) with cost sheet attached—Associated Textiles of Canada Ltd.
- 259—Sample of pure silk (not weighted) (No. 2840) with cost sheet attached—Associated Textiles of Canada Ltd.

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- 260—Statement of production by years, 1931 to 1935, and by months January to April, 1931-1936—Associated Textiles of Canada Ltd.
- 261—Statement of Exports, by years—Associated Textiles of Canada Ltd.
- 262—Telegram from Metropolitan Life Insurance Co. stating amount paid on claims since 1932—Associated Textiles of Canada Ltd.
- 263—Statement of the hours of work in September, August and July and June by years, 1932-1936—Associated Textiles of Canada Ltd.
- 264—Abstract from payroll of hours of work of three employees of Associated Textiles of Canada Ltd. for five pays from February 23 to April, 1936.
- 265—Statement of payrolls and average pay per operative—1935-36, Sherbrooke Cotton & Rayon Divisions—Dominion Textile Co. Ltd.
- 266—Analysis of wage-earners according to weekly earnings—Sherbrooke Cotton & Rayon Divisions, Dominion Textile Co. Ltd.—fortnight ending December 7, 1935.
- 267—Analysis of female wage-earners according to hourly earnings, Sherbrooke Cotton and Rayon Divisions—Dominion Textile Co. Ltd. for December, 1935.
- 268—Statement of hourly rates of rate workers and weekly earnings of piece workers for fortnight ending March 1, 1930, and February 29, 1936, Sherbrooke Cotton Division—Dominion Textile Co. Ltd.
- 269—Census of Industry reports—wage-earners, 1934 and 1935—Sherbrooke Branch, Dominion Textile Co. Ltd.
- 270—Statement showing deductions made for rent at Sherbrooke Rayon Division, Dominion Textile Co. Ltd. for fortnight ending March 18, 1936.
- 271—Statement showing cumulative totals of rents uncollected by Dominion Textile Co. Ltd., in Sherbrooke, 1931 to 1935.
- 272—Statement of production of René Riel and Albert Rondeau, Sherbrooke Cotton Division, Dominion Textile Co. Ltd.
- 273—Statement of average wage per fortnight for 27 fortnights, 1935-36—Montmorency Branch, Dominion Textile Co. Ltd.
- 274—Analysis of wage-earners according to weekly wages, 1935. Montmorency Branch, Dominion Textile Co. Ltd.
- 275—Statement showing rates of wages at Montmorency Branch, Dominion Textile Co. Ltd., 1926, 1930 and 1936.
- 276—Statement showing hours worked, hourly rate and earnings of Philippe Mathieu, Omer Dumont, Herménégilde Tremblay and Roméo Bouchard, workers at Montmorency Branch, Dominion Textile Co. Ltd.
- 277—Copy of letter dated January 17, 1936, from W. M. Berry to J. H. Marx.
- 278—Dividends paid by Montreal Cottons Co., 1880-1910.
- 279—Copy of Moody Manual Company's statement on Montreal Cottons Co., relating to year 1910.
- 280—Financial statements for years ending December 31, 1915 to 1935, Montreal Cottons Ltd.
- 281—Payroll for last two weeks in February, 1926—Montreal Cottons Ltd.
- 282—Payroll for last two weeks in February, 1927—Montreal Cottons Ltd.
- 283—Payroll for last two weeks in February, 1928—Montreal Cottons Ltd.
- 284—Payroll for last two weeks in February, 1929—Montreal Cottons Ltd.
- 285—Payroll for last two weeks in February, 1930—Montreal Cottons Ltd.
- 286—Payroll for last two weeks in February, 1931—Montreal Cottons Ltd.
- 287—Payroll for last two weeks in February, 1932—Montreal Cottons Ltd.
- 288—Payroll for last two weeks in February, 1933—Montreal Cottons Ltd.
- 289—Payroll for last two weeks in February, 1934—Montreal Cottons Ltd.
- 290—Payroll for last two weeks in February, 1935—Montreal Cottons Ltd.
- 291—Payroll for last two weeks in February, 1936—Montreal Cottons Ltd.
- 292—Copy of basis of agreement regarding medical services for workers of Montreal Cottons Ltd.
- 293—Copy of by-law No. 350 of the City of Valleyfield regarding assessment and taxes of Montreal Cottons Ltd.
- 294—Copy of contract between City of Valleyfield and Montreal Cottons Ltd., August 7, 1934, covering the ceding of certain lands and houses to the city.
- 295—Letter of June 6, 1933, from Montreal Cottons Ltd. to Mayor and Council of Valleyfield *re* assessment.
- 296—Copy of a resolution passed by Council of Valleyfield, December 13, 1933, *re* number of workers and wages paid by Montreal Cottons Ltd., together with a letter of transmittal to Montreal Cottons Ltd.
- 297—Letter dated August 29, 1933, from Montreal Cottons Ltd., to Mayor and Council of Valleyfield *re* assessment.
- 298—Letter dated August 30, 1933, from Dominion Textile Co. Ltd., to Mayor of Valleyfield.

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- 299—Letter dated October 25, 1933, from Montreal Cottons Ltd., to Mayor and Council of Valleyfield, *re* taxation.
- 300—Statement of book value of buildings, machinery, etc., and balance sheet by years, 1930 to 1932, Montreal Cottons Ltd.
- 301—Letter dated April 30, 1934, from Montreal Cottons Ltd., to Mayor and Council of Valleyfield, *re* taxation, together with a copy of reply.
- 302—Copy of by-law No. 286 of City of Valleyfield passed December 20th, 1920 *re* Montreal Cottons Ltd.
- 303—Copy of by-law No. 229 of City of Valleyfield passed March 15, 1911 *re* Montreal Cottons Ltd.
- 304—Copy of by-law No. 162 of City of Valleyfield passed May 18, 1901, *re* Montreal Cottons Ltd.
- 305—Copy of by-law No. 136 of City of Valleyfield passed April 16, 1898, *re* Montreal Cottons Ltd.
- 306—Payroll ticket of Mr. Antonio Viau—Montreal Cottons Ltd.
- 307—Extract from minutes of Council of Valleyfield, November 5, 1890, *re* Montreal Cottons Ltd.
- 308—Copy of resolution passed by City Council of Valleyfield regarding tax assessment of Montreal Cottons Co., March 1, 1882.
- 309—Municipal assessment of Montreal Cottons Ltd—1932, 1933, 1934.
- 310—Pay slips of Mr. Georges Debonneville—Montreal Cottons Ltd.
- 311—Copy of a letter dated May 18, 1935, from Les Ouvriers de Valleyfield to Mr. Aird, Manager of Montreal Cottons Ltd.
- 312—Application form of Minimum Wage Board for exemption of employee from regulations.
- 313—Letters from Mr. Alfred Robert, Chief Inspector, Department of Labour to Mr. Maxime Raymond, dated January 31, 1936, and March 3, 1936, *re* Montreal Cottons Ltd.
- 314—List of members of industrial committee—May 28, 1935, Montreal Cottons Ltd.
- 315—List of workers of Montreal Cottons Ltd. granted exemption from regulations of Minimum Wage Board regarding wages of experienced employees.
- 316—Statement of relief payments in the City of Valleyfield, 1932-35.
- 317—Taxes paid by Montreal Cottons Ltd. and Montreal Cottons Co. to City of Valleyfield.
- 318—Statement of retiring allowances by years for 1919 to 1935—Montreal Cottons Ltd.
- 319—List of pensions being paid as of April 30, 1936 and names of recipients—Montreal Cottons Ltd.
- 320—Statement of pensions paid and names of pensioners for years 1919 to 1936—Montreal Cottons Ltd.
- 321—Statement showing classification of wage-earners by wage groups for the fortnight ending December 14, 1935—Montreal Cottons Ltd.
- 322—Statement of number of employees by months for years 1929 and 1935—Montreal Cottons Ltd.
- 323—Statement regarding rent of cottages for the year 1935—Montreal Cottons Ltd.
- 324—Statement of taxes paid by Montreal Cottons Ltd. for municipal year ending December 31, 1935 and school tax, year ending July 31, 1936.
- 325—A comparison of number of weavers and wages paid by fortnights 1929 to 1935—Montreal Cottons Ltd.
- 326—Statement showing temperature and humidity readings in Louise Mill, 5th floor for January, February and March, 1936—Montreal Cottons Ltd.
- 327—Letter from Mr. Alfred Robert, Chief Factory Inspector, to Mr. W. G. E. Aird, dated June 2, 1936, *re* mill inspection at Montreal Cottons Ltd.
- 328—Letter from Mr. G. Blair Gordon to Clarkson, Gordon, Dilworth, Guilfoyle & Nash, dated October 17, 1934, *re* wages paid by Montreal Cottons Ltd. including Maintenance Department.
- 329—Pamphlet "Financial History of Your Company"—Dominion Textile Co. Ltd.
- 330—Copy of Syndicate Agreement, dated January, 1905, regarding the formation of Dominion Textile Co. Ltd.
- 331—Copy of circular issued by Royal Trust Co. to shareholders of Colonial Bleaching and Printing Co., December 29, 1904.
- 332—Copy of circular letter issued by Royal Trust Co. to shareholders of Merchants Cotton Co. December 29, 1904, together with a copy of letter from the officers of the Merchants Cotton Co. to the shareholders December 29, 1904.
- 333—Copy of circular letter issued by Royal Trust Co. to shareholders of Dominion Cotton Mills Co. December 29, 1904.
- 334—Copy of circular letter issued by Royal Trust Co. to shareholders of Montmorency Cotton Mills Co., December 16, 1904.

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- 335—Copy of second circular letter dated January 27, 1905 issued by Royal Trust Co. to shareholders of the four cotton companies.
- 336—Copy of syndicate agreement *re* formation of Dominion Textile Co. Ltd., January 27, 1905, together with draft of letter to Dominion Textile Co. Ltd.
- 337—Copy of letter signed by David Yuill and D. Williamson to Royal Trust Co. *re* purchase of Montreal Cotton Co., dated May, 1905. Copy of circular letter sent by Royal Trust Co. to shareholders of Montreal Cotton Co., May 20, 1905. Copy of letter signed by E. C. Hanna, on behalf of Syndicate to Royal Trust Co., August 17, 1905.
- 338—Statement furnished for prospectus offering bonds of Canadian Cottons Ltd., for sale in London, January, 1911.
- 339—Prospectus of Canadian Cottons Ltd., issued by Royal Securities Corporation, Ltd., September 13, 1912.
- 340—Annual financial reports of Canadian Cottons Ltd., 1912-1936 inclusive.
- 341—Statement of exports of Japanese textiles, 1913-1934, part of 1935.
- 342—Statement of number of spindles in the Far East by certain years, 1900 to 1936.
- 343—Clipping *re* Industrial Production in Japan—*Textile Weekly*, December 1, 1935.
- 344—Statement of Rayon Yarn production, Canada, Great Britain, Japan, United States and the World, 1925 to 1935.
- 345—Graph of percentage of rayon yarn production in certain countries, 1920 to 1935.
- 346—Graph of rayon yarn production by quantities in certain countries, 1925 to 1935.
- 347—Extract from *Textile Weekly*, Manchester, February 28, 1936, *re* rayon production in Japan.
- 348—Clipping from *Manchester Guardian*, March 30, 1936, *re* rayon production in Japan.
- 349—Statement of exports of rayon products from Japan, 1931 to 1934.
- 350—Statement of exports of rayon products from Japan, 1935.
- 351—Extract from *Women's Wear Daily*, February 13, 1936, *re* Japanese rayon fabric exports.
- 352—Statement of exports of Cotton Piece Goods from Great Britain and Japan 1924 to 1935.
- 353—Extract from *Manchester Guardian*, January 17, 1936, *re* Cotton Piece goods exported from U. K. and Japan, 1929 to 1935.
- 354—Statement of exports of Rayon Piece goods from Great Britain and Japan, 1930 to 1935.
- 355—*Monthly Record* of Manchester Chamber of Commerce, May 31, 1934, containing an article on Japanese Competition (page 133).
- 356—Statement of dates of imposition of Textile Quotas in British Colonies.
- 357—*Monthly Record* of Manchester Chamber of Commerce, December 31, 1934, containing an article on Textile Quotas in the British West Indies (page 379).
- 358—Extract from *Manchester Guardian*, March 2, 1936, *re* British trade in the Sudan and competition from Japan.
- 359—Extract from *Manchester Textile Mercury and Argos*, January 31, 1936, showing importations of rayon piece goods into Tanganyika Territory in 1934 and 1935.
- 360—Extract from *Manchester Guardian*, April 12, 1935, *re* trade relations between Australia and Japan.
- 361—Statement of tariff rates and imports of Rayon piece goods, into Australia from Japan and Great Britain in 1935.
- 362—Extract from *Manchester Guardian*, April 1, 1936, relating to Japanese and British cotton and rayon exports to Australia.
- 363—Extract from *Manchester Guardian*, April 14, 1936, *re* Australian duties on imports of rayon goods from Japan.
- 364—Extract from *Montreal Gazette*, May 23, 1936, *re* Australian increases in tariffs against United States and Japan.
- 365—Statement of imports of rayon goods into Egypt, 1925 to 1934.
- 366—Extract from *Manchester Guardian*, April 22, 1936, *re* Japan's trade with Egypt.
- 367—Extract from *Daily News Record*, U.S.A., May 26, 1936, *re* increase in duties on rayons by Egypt.
- 368—Statement of imports of cotton and rayon piece goods into India, 1925 to 1935.
- 369—Article from *Textile Weekly*, Manchester, December 1, 1933, *re* Japan's trade with India.
- 370—Article from *Textile Weekly*, Manchester, January 12, 1934, *re* Indo-Japanese trade agreement.
- 371—Statement of tariffs on rayons and imports into India for April and December, 1935.
- 372—Extract from *Journal of Commerce and Commercial* (U.S.A.), March 31, 1936, *re* Japanese methods of selling textiles in India.
- 373—Statement of Imports of Cotton Piece goods into United States, 1925 to 1935.
- 374—Statement of statistics of cotton textiles in the United States, 1926-1936—Equipment, Operation and Market.
- 375—Announcement by U.S. Department of State, December 21, 1935, *re* voluntary limitation of exports from Japan.

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- 376—Extract from *Textile World* (U.S.), February 28, 1936, *re* Japanese exports of cotton and worsted goods to United States in 1934 and 1935.
- 377—Extract from *New York American*, June 2, 1936, *re* dumping of Japanese textiles in the United States.
- 378—Statement of imports from Japan in 1935—Extract from *Daily News Record*, March 31, 1936.
- 379—Extract from *Daily News Record*, May 22, 1936, *re* increases in U.S. duties on textile goods from Japan.
- 380—Extract from *Journal of Commerce*, May 22, 1936, *re* increase in U.S. duties on textile goods from Japan.
- 381—Circular issued by U.S. Tariff Commission, February 25, 1936, *re* rate of duty on wool knit gloves, together with copy of proclamation of President, February 21, 1936.
- 382—Report of U.S. Tariff Commission on Wool knit gloves and mittens, February, 1936.
- 383—Circular of U.S. Department of State regarding voluntary limitation of Japanese exports of cotton rugs to United States.
- 384—Extract from *Daily News Record*, May 12, 1935, *re* United States valuation on woollen imports.
- 385—Statement of imports of rayon into United States from Japan, 1931 to 1935.
- 386—Statement of imports of cotton and rayon piece goods from Japan, and United States into Philippines, 1924 to 1934.
- 387—Statement of Tariff Rates for rayon goods in Philippine Islands.
- 388—Extract from *Daily News Record*, March 9, 1936, *re* Japanese cloth exports to Philippine Islands.
- 389—Circular of U.S. Department of State, October 12, 1935, *re* voluntary limitation of Japanese cotton textiles to Philippines.
- 390—Extract from *Journal of Commerce*, May 15, 1936, *re* U.S. and Japanese cotton exports to Philippine Islands in April, 1936.
- 391—Extract from *Journal of Commerce*, April 17, 1936, *re* Japanese cotton and rayon exports to Philippine Islands.
- 392—Report of Economic Statistical Department of Joint Committee of Cotton Trade, April, 1936, "Markets for Cotton and Rayon Goods, Dutch East Indies."
- 393—Extract from *Manchester Guardian*, March 30, 1936, *re* increase of Japanese exports of grey cotton piece goods to United Kingdom.
- 394—Extract from *Montreal Star*, April 2, 1936, *re* Japanese cotton exports to New Zealand.
- 395—Statement of reported cost of rayon yarn production, in five countries, together with copy of *Textile Organon*, April, 1935.
- 396—Extract from *Manchester Guardian*, March 30, 1936, *re* Japanese rayon yarn and cloth prices and estimated production and demand.
- 397—Statement of exports of Japanese rayon by types of cloth, 1934 and 1935.
- 398—Extract from *Daily News Record*, September 27, 1935, *re* profits of Japanese rayon producers for first half of 1935.
- 399—Extract from monthly Circular of Mitsubishi No. 149, March, 1936, *re* rayon prices.
- 400—Letter dated February 11, 1936, from Samuel Courtaulds & Co. Ltd., London, England, to Messrs. Courtaulds (Canada) Ltd., together with samples of Japanese rayon fabrics received in Australia—also a report by Ontario Research Foundation on analysis of fabrics.
- 401—Letter from Secretary of State for External Affairs, Canada, to Japanese Minister, December 26, 1935, regarding Japanese Agreement.
- 402—Statement of Imports of Japanese Silk and Artificial Silk Fabrics into Canada, 1935 and 1936.
- 403—Extract from *Manchester Guardian*, April 3, 1936, *re* imposition of dumping duties on Japanese rayons exported to Canada.
- 404—Extract from *Manchester Guardian*, April 15, 1936, *re* Japanese rayon prices.
- 405—Extract from *Montreal Gazette*, May 28, 1936, *re* stabilization of supply of rayon goods by Japan.
- 406—Statement of Japanese product laid down in Canada and Canadian costs of elastic web (furnished by Hamilton Cotton Co. Ltd.).
- 407—Statement of prices of Japanese ribbons and elastic and Canadian cost of production (furnished by Belding-Corticelli Ltd.).
- 408—Extract from *Manchester Guardian*, May 23, 1936, *re* reduction in Australian tariff on cottons and rayons.
- 409—Statement showing imports of rayon and mixed goods into U.S.A., 1933 and 1934.
- 410—Statement of Japanese imports of pulp for rayon and paper, ten months in 1935 and for the year 1934.
- 411—Copy of minutes of organization meeting of Cotton Institute of Canada, August 2, 1934.
- 412—Copy of "*Textile Organon*," May, 1935.

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- 413—Statement of imports of pulp for paper and rayon into Japan, 1935.
- 414—Statement of purchases of rayon yarns from Courtaulds (Canada) Ltd. by Grout's Ltd. and Valleyfield Silk Mills for first two months of 1935 and 1936.
- 415—Letter from Mr. P. R. Watson to Mr. Douglas Hallam, dated December 30, 1935, *re* Japanese competition.
- 416—Letter from Mr. Douglas Hallam to Mr. Arnot, Industrial Secretary, Vancouver Board of Trade, November 1, 1934, *re* advisability of establishing additional silk mills in Canada.
- 417—Letter from A. B. Fisher & Co. dated January 4, 1936, to L. W. Anderson (see also Ex. No. 148) quoting on Japanese rayons and cotton crepe.
- 418—Statement of cost of production of rayon 27" lining by Dominion Textile Co. together with samples.
- 419—Statement of cost of production of rayon lining together with samples.
- 420—Copy of order from Brown Silk Co. to A. B. Fisher & Co., Toronto.
- 421—Copy of cable January 30, 1936, *re* prices of Japanese fabrics together with quotations in reply.
- 422—Statement of Japanese landed prices in Canada for rayon fabrics with Dominion Textile Co. Ltd. corresponding style.
- 423—Statement of costs of rayon fabrics by Dominion Textile Co. Ltd., together with samples.
- 424—Comparative table of prices in two preceding exhibits.
- 425—Copy of order for 27" plain and brocaded rayon from Brown Silk Co. to A. B. Fisher & Co. Ltd., March 3, 1936.
- 426—Copy of quotations by cable from Kitagawa & Co. Ltd., Osaka, Japan to Fred Butterfield Co., New York, February 5, 1936.
- 427—Table of comparative costs of Japanese and Dominion Textile fabrics together with samples from Fred Butterfield Co., New York.
- 428—Statement of comparative Japanese and Montreal Cotton Co. costs together with Japanese samples.
- 429—Samples of Japanese fabrics with prices attached together with costs of Dominion Textile Co. Ltd.
- 430—Samples of Japanese taffeta together with prices attached (comparable costs of Dominion Textile in preceding exhibit).
- 431—Samples of Japanese crepe (stated to be competitive with Dominion Textile Co. Ltd. R.A. 3).
- 432—Samples of Japanese flat crepe (stated to be competitive with Dominion Textile Co. Ltd. RA 9).
- 433—Samples of Japanese fabrics (sateen) together with landed prices and samples and prices from Montreal Cottons Ltd.
- 434—Samples of Japanese fabrics (rayon check lining) together with landed prices and samples and prices from Montreal Cottons Ltd.
- 435—Statement of rayon orders taken by Dominion Textile Co. Ltd. from September 28, 1935, to June 6, 1936, by weeks, with comparable figures for preceding year.—Statement of orders on hand at Magog Print Works of Dominion Textile Co. Ltd. from September, 1934, to June 6, 1936.
- 436—Statement of monthly reports of reporting members of Silk Association by months from December, 1934, to April, 1936, together with reports for 1932, showing production, sales and stock on hand.
- 437—Statement of Production, Orders Booked, Shipments, etc., for January, February, March, 1936, and for year 1935 for RT 58—Montreal Cottons Ltd.
- 438—Letter from Gauvreau, Beaudry Ltd., to Dominion Textile Co. Ltd. dated January 7, 1936, *re* orders booked at 18½ cents per yard as against Japanese price of 13½ cents and 12½ cents.
- 439—Letter from Winnipeg Office to Montreal Office, Dominion Textile Co. Ltd. dated January 3, 1936, *re* Japanese competition.
- 440—Statement of purchase and sales value of Japanese textiles imported by Robert Simpson Co. Ltd., 1935 and 1936.
- 441—Table of hourly earnings of workers in Cotton Mills in United States, 1933 and 1934.
- 442—Textile Report, Part I, Cotton—U.S. Department of Labor.
- 443—Textile Report, Part II, Silk and Rayon—U.S. Department of Labor.
- 444—Textile Report, Part III, Woollen and Worsted—U.S. Dept. of Labor.
- 445—Bulletin No. 5—International Federation of Textile Workers' Association, London, May, 1936.
- 446—Extract from "Textile Worker" containing brief of President McMahon *re* Ellenbogen textile bill.
- 447—Copy of Winant Report, dated September 17, 1934, on Cotton Textile Industry in United States.

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- 448—Textile Work Assignment Board Reports, Cotton, Silk and Rayon and Wool, U.S.A.
- 449—Statement of orders for brocaded taffeta VZ 75 from Montreal Cottons Ltd., 1934 to 1936.
- 450—Statement of orders for brocaded taffeta VZ 75 36" from Montreal Cottons Ltd., 1934 to 1936.
- 451—Statement of orders for plain taffeta RT 58 from Montreal Cottons Ltd.
- 452—Statement of orders for plain taffeta RT 58 (wider width) from Montreal Cottons Ltd.
- 453—Statement of orders for brocaded taffeta VZ 106 from Montreal Cottons Ltd.
- 454—File of correspondence from Mr. Hallam, Secretary, Primary Textiles Institute, to Mr. Marx and Mr. Evans, July 27, 1935, July 25, 1935, *re* surtax on raw silk from Japan—to Mr. Berry, July 26, 1935, together with circular from Primary Textiles Institute to Mr. Marx, July 31, 1935—Letter, Mr. Berry to Mr. Marx, August 28, 1935—Telegram to Mr. Marx, September 5, 1935.
- 455—Copy of brief of Silk and Artificial Silk Industry, August, 1930.
- 456—Letter from Mr. Hallam to Mr. H. McKinnon, February 6, 1936, *re* Grout's Ltd., and Valleyfield Silk Mills.
- 457—Extract from *Winnipeg Free Press*, June 15, 1933, *re* Japanese competition.
- 458—Copy of letter from A. O. Dawson to Hon. R. B. Bennett, January 18, 1933, *re* losses sustained by Lancashire Cotton Mills in 1932.
- 459—Copy of letter from A. O. Dawson to Hon. C. A. Dunning, April 6, 1936, *re* operations at Milltown, N.B.
- 460—Statement of mill profits and charges for St. Croix Mill, Canadian Cottons Ltd., 1926 to 1936.
- 461—Copy of a letter from A. O. Dawson to Hon. R. B. Hanson, June 4, 1935, *re* Japanese competition.
- 462—Copy of a letter from A. O. Dawson to Hon. R. B. Hanson, June 13, 1935, *re* Japanese competition, together with extract from *Japan Commercial Osaka* on cotton industry (April 1, 1935).
- 463—Copy of a letter from A. O. Dawson to Hon. C. A. Dunning, November 15, 1935, *re* Japanese competition.
- 464—Copy of a letter from A. O. Dawson to Hon. C. A. Dunning, November 29, 1935, *re* Japanese competition.
- 465—Copy of a letter from A. O. Dawson to Hon. C. A. Dunning, March 24, 1936, *re* Japanese competition.
- 466—Copy of a letter from A. O. Dawson to Hon. C. A. Dunning, March 25, 1936, *re* Japanese method of handling exports.
- 467—Copy of a letter from A. O. Dawson to Hon. C. A. Dunning, April 28, 1936, *re* low selling prices of Japanese rayon goods.
- 468—Sample of Japanese and Canadian cotton fabrics, taffeta—(Japanese sample from Belding-Corticelli Ltd.).
- 469—Sample of Japanese brocaded and Canadian Cottons Ltd. dobby taffeta—(Japanese sample from Belding-Corticelli Ltd.).
- 470—Sample of Japanese brocaded and Canadian Cottons Ltd. dobby taffeta—(Japanese sample from Belding-Corticelli Ltd.).
- 471—Sample of Japanese and Canadian Cottons Ltd. crepe.
- 472—Sample of Japanese and Canadian Cottons Ltd. satin—(Japanese sample from Vancouver agent).
- 473—Sample of Japanese and Canadian Cottons Ltd. satin—(Japanese sample from Eaton's, Toronto).
- 474—Sample of Japanese taffeta—(Sample from Sanscoucy, Montreal).
- 475—Copy of letter from A. O. Dawson to Hon. C. A. Dunning, May 2, 1936, *re* 1936 Budget.
- 476—Copy of letter from A. O. Dawson to Hon. C. A. Dunning, May 8, 1936, *re* trade agreements between Canada and the United States and Canada and Japan.
- 477—Copy of letter from A. O. Dawson to Hon. C. A. Dunning, May 12, 1936, *re* reduction in taxes, together with extract from *Daily News Record*, May 4, 1936, giving results of survey of earnings of weavers in Great Britain.
- 478—Copy of letter from A. O. Dawson to Hon. C. A. Dunning, May 22, 1936, *re* possible closing of Milltown mill.
- 479—Copy of letter from A. O. Dawson to Hon. C. A. Dunning, June 11, 1936, *re* rayon importations from Japan.
- 480—Copy of letter from A. O. Dawson to Hon. J. L. Ilsley, March 10, 1936, *re* Japanese competition—Samples of Japanese cotton gingham attached.
- 481—Copy of letter from A. O. Dawson to Hon. J. L. Ilsley, March 19, 1936, together with copy of letter from agent in Vancouver, *re* Japanese competition.
- 482—Copy of letter from A. O. Dawson to Hon. J. L. Ilsley, March 23, 1936, together with copy of letters from Vancouver agent, *re* Japanese competition.
- 483—Statement prepared by Mr. Tolmie, together with samples and copies of letters from Winnipeg agents, *re* Japanese competition, February, 1936.

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- 484—Unsigned letter from Belding-Corticelli Ltd. to A. O. Dawson, April 2, 1936, *re* order placed by Belding-Corticelli Ltd. for 300 pieces of Japanese rayon taffeta and satins.
- 485—Copy of letter from Mr. Tolmie to G. E. Hooper, April 2, 1936, giving yardage of orders and shipments of rayon fabrics for first three months of 1935 and 1936.
- 486—Statement of sales of taffeta by Canadian Cottons Ltd., 1935 and 1936.
- 487—Statement of sales of plain taffetas by Canadian Cottons Ltd., to Eaton's and Simpson's, 1935 and part of 1936.
- 488—Correspondence between J. C. McRuer, K.C., and A. O. Dawson, President, Canadian Cottons Ltd., *re* operations at Milltown, N.B.
- 489—Copy of letter from Mr. Tolmie to Mr. Bruneau, manager of St. Croix mill, Canadian Cottons Ltd., May 5, 1936, *re* tariff changes.
- 490—Letter from Mr. Tolmie to Mr. Douglas Hallam, Secretary, Primary Textiles Institute, January 16, 1936, together with statement of duties calculated on rayon woven fabrics.
- 491—Copies of letters from Winnipeg official of Canadian Cottons Ltd., to Mr. Tolmie, January 10, 1936, *re* Japanese competition.
- 492—Letter from A. O. Dawson to W. H. Moore, November 22, 1927, outlining conditions in cotton industry and suggesting certain changes in customs tariff.
- 493—Letter from A. O. Dawson to Rt. Hon. R. B. Bennett, February 18, 1931, *re* increase in price of viscose yarns by Courtaulds (Canada) Ltd.
- 494—Copy of letter from W. P. MacDougall to A. O. Dawson, October 7, 1935, *re* duties, taxes, etc., prior to 1930 and since that date.
- 495—Copy of letter from A. O. Dawson to Rt. Hon. R. B. Bennett, August 20, 1930, together with memorandum *re* tariff, and requesting upwards revision of tariff.
- 496—Schedule of tariff rates accompanying letter of August 20, 1930 (Ex. 495).
- 497—Schedule of tariff rates from files of Dominion Textile Co. Ltd. (similar to above).
- 498—Four letters from A. O. Dawson to Rt. Hon. R. B. Bennett, September 4, 1930, *re* assistance required by textile industry.
- 499—Two letters from A. O. Dawson to Hon. E. B. Ryckman, November 14, November 17, 1931, *re* fixed minimum values, together with extract showing wages in Germany.
- 500—Letter from Mr. Tolmie to Mr. R. P. Sparks, April 9, 1932, *re* American values of yarn dyed cotton fabrics.
- 501—Copy of letter from A. O. Dawson to Hon. R. B. Hanson, May 20, 1935, *re* Japanese competition.
- 502—Letter from A. O. Dawson to Hon. C. A. Dunning, February 25, 1936, requesting fixed valuation on rayon and cotton goods from Japan.
- 503—Letter from A. O. Dawson to Hon. C. A. Dunning, February 29, 1936, *re* Japanese competition and proposed rental of Greenshields warehouse in Montreal by Japanese merchants.
- 504—Telegram from Canadian Cottons Ltd. to Hon. C. A. Dunning, March 27, 1936, *re* quotation to Gaults Ltd., Vancouver, of Japanese rayon taffeta at 10½ cents.
- 505—Statement *re* reduction of inventory at mills of Canadian Cottons Ltd., 1936.
- 506—Memorandum showing classes of Canadian exports to which Japanese surtax did or did not apply (from *Commercial Intelligence Journal*, July 29, 1935).
- 507—Brief submitted by Canadian Cotton Industry to Tariff Board, November, 1927.
- 508—List of employees of Dominion Textile Co. seeking relief from City of Sherbrooke after closing of Rayon Division, January, 1936.
- 509—Statement of commutation of taxes of Sherbrooke Cotton Co.
- 510—Statement of appraisal of plants of Dominion Textile Co. Ltd., 1920, by Canadian Appraisal Co. Ltd.
- 511—Amended copy of Exhibit 510 showing replacement and depreciated values.
- 512—Extract from Minutes, Dominion Textile Co. Ltd., January 22, 1905.
- 513—Statement of writing-up of assets of Dominion Textile Co. Ltd., 1923.
- 514—Statement of ratio of net earnings to net worth, Dominion Textile Co. Ltd., 1926-1936.
- 515—Statement showing percentage of investment income to earnings and dividends paid, 1926-1936, Dominion Textile Co. Ltd.
- 516—Statement showing depreciation, etc., from 1905 to 1926, Dominion Textile Co. Ltd.
- 517—Statement showing value of sales and distribution of sales dollar, Dominion Textile Co. Ltd., 1926-1936.
- 518—Statement showing gross income from investments and income tax charged against such income—Dominion Textile Co. Ltd.
- 519—Statement of salaries and wages paid, 1929 to 1936—Dominion Textile Co. Ltd.
- 520—Statement showing above for ten-year period.
- 521—Statement showing trend of salaries and wages from 1930 to 1936, Dominion Textile Co. Ltd., together with classifications of positions.
- 522—Statement showing above for eleven-year period.
- 523—Samples of Japanese rayons—Mr. Fairchild.
- 524—Circular from Department of National Revenue, *re* 1936 budget changes.
- 525—Statement of imports of Rayon Fabrics from Japan into United States, 1932 to 1935, 1936 (2 months).

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- 526—Statement showing amount of protection afforded United States and Canadian manufacturers on rayon goods imported from Japan.
- 527—Statement showing rates of duty on rayon fabrics under provisions of French Trade Agreement with U.S.A.—June 15, 1936.
- 528—Statement showing comparative protection on artificial silk fabric based on fair market values under United States and Canadian tariffs.
- 529—Statement of importations of artificial silk fabrics into Canada from Japan, during January, February, March, 1935.
- 530—Statement of importations of artificial silk fabrics into Canada from Japan during April and May, 1935.
- 531—Statement of importations of artificial silk fabrics into Canada from Japan during April and May, 1936.
- 532—Copy of letter dated February 14, 1936, from Commissioner of Customs to Collector at Montreal *re* appraisal of artificial silk fabrics from Japan.
- 533—Copy of letter from Department of National Revenue to Commissioner of Customs at Montreal, dated February 27, 1936, *re* fair market values of artificial silk fabrics imported from Japan.
- 534—Statement of Canada's trade with Japan, first four months of 1935 and 1936.
- 535—Statement of imports of cotton fabrics from Japan into United States, 1932 to 1935, 1936 (2 months).
- 536—Statement showing comparative protection afforded United States and Canadian manufacturers on cotton goods imported from Japan.
- 537—Copy of President's proclamation of change in duties on cotton fabrics, United States May 21, 1936.
- 538—Statement showing protection afforded U.S. manufacturers of bleached cotton goods under duties effective May, 1936.
- 539—Statement showing comparative protection on bleached cotton fabric from Japan in U.S.A. and Canada.
- 540—Statement of importations of cotton fabrics into Canada from Japan, first five months of 1935.
- 541—Statement of importations of cotton fabrics into Canada from Japan, first five months, 1936.
- 542—Letter signed by W. P. MacDougall, General Manager, Belding-Corticelli, Ltd. to employees, September 17, 1934, regarding change in piece rates.
- 543—9 pay envelopes of Ernest Thivierge in the period 1929-1930—Belding-Corticelli Ltd.
- 544—85 pay envelopes of Ernest Thivierge for the period 1930 to 1936, Belding-Corticelli Ltd.
- 545—Analysis of male employees of Belding-Corticelli Ltd., according to hourly earnings—(cumulative percentage).
- 546—Analysis of female employees of Belding-Corticelli Ltd., according to hourly earnings (cumulative percentage).
- 547—Average hourly earnings of Male Employees, Percentage Distribution, 1936—Belding-Corticelli Ltd.
- 548—Average Hourly Earnings of Female Employees, 1936—Belding-Corticelli Ltd.
- 549—Distribution of Male Mill Employees according to earnings in pay period (cumulative percentage)—Belding-Corticelli Ltd.
- 550—Distribution of Female Mill Employees according to earnings in pay period (cumulative percentage)—Belding-Corticelli Ltd.
- 551—Distribution of Male employees, according to earnings—Belding-Corticelli Ltd.
- 552—Distribution of Female employees, according to earnings—Belding-Corticelli Ltd.
- 553—Letter from W. P. MacDougall, Belding-Corticelli Ltd., *re* increase in price of rayon yarns by Courtaulds (Canada) Ltd., addressed to Prime Minister, dated February 18, 1931.
- 554—Table accompanying Exhibit 553—Belding-Corticelli Ltd.
- 555—Statement of viscose rayon yarn prices, 1930-1936.
- 556—Comparison of prices of viscose yarns between Great Britain and Canada.
- 557—Letter from Stark Bros. Ribbon Corporation to Southern Canada Power Co. Ltd., July 14, 1932, *re* customs duties on ribbons.
- 558—Letter from Belding-Corticelli Ltd. to Mr. Hallam, July 15, 1932, together with table of purchases of yarns and supplies in 1931.
- 559—Constitution and by-laws of Cotton Institute of Canada.
- 560—Letter from Douglas Hallam, Secretary, Primary Textiles Institute, to Douglas' G. Wolfe (*Textile World*), March 7, 1935, *re* activities of Primary Textiles Institute and affiliated associations.
- 561—Constitution and by-laws of Canadian Woollen & Knit Goods Manufacturers Association.
- 562—Constitution and by-laws of the Silk Association of Canada.

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- 563—Full Fashioned Hosiery Section—Agreement, September 21, 1935.
- 564—Full Fashioned Hosiery Section—Agreement, May 1, 1935.
- 565—Full Fashioned Hosiery Section—Agreement, November 6, 1934.
- 566—Full Fashioned Hosiery Section—Agreement, July 5, 1934.
- 567—Full Fashioned Hosiery Section—Agreement, March 2, 1933.
- 568—Full Fashioned Hosiery Section—Agreement, March 1932.
- 569—List of signatories to the above agreements.
- 570—Permit to sell discontinued lines of hosiery.
- 571—File of applications for discontinued permit—Approved—Full Fashioned Hosiery.
- 572—File of applications for discontinued permits—Full Fashioned Hosiery.
- 573—Copy of letter, January 23, 1936, to Guelph Carpet & Worsted Spinning Mills Ltd. and six other companies, together with memorandum effective January 21, 1936—styles and prices of machine knitting yarn.
- 574—Memo *re* increasing prices of machine knitting yarns, January 21, 1936.
- 575—Letter from Hield Bros. Ltd., February 15, 1937, to Mr. Hallam, *re* prices of grey mixture serges.
- 576—Letter from J. D. Woods to Mr. Hallam, January 11, 1934—*re* uniform basis of cost for cotton, wool and worsted yarns.
- 577—Bulletin giving terms and selling prices sent out by Mr. Hallam to manufacturers of woollen and worsted goods, February 20, 1936.
- 578—Letter from E. H. Kinsel of Herbert Hosiery Mills to Canadian Woollen & Knit Goods Manufacturers Association, January 23, 1934, *re* raw material prices, costs and replacement values.
- 579—Letter from Newlands & Co. to Canadian Woollen & Knit Goods Manufacturers Association, January 24, 1934, *re* raw material prices, costs and replacement values.
- 580—Letter from Dominion Woollen & Worsted Ltd. to Canadian Woollen & Knit Goods Manufacturers Association, January 26, 1934, *re* raw material prices, costs and replacement values.
- 581—Circular from Canadian Woollen & Knit Goods Manufacturers Association to number of cloth mills, March 6, 1934, *re* terms of sale.
- 582—Circular from Canadian Woollen & Knit Goods Manufacturers Association to number of cloth mills, March 12, 1934, *re* selling f.o.b. mill.
- 583—Letter from Renfrew Woollen Mills to Canadian Woollen & Knit Goods Manufacturers Association, October 10, 1934, *re* terms of sale (discounts).
- 584—Circular from Canadian Woollen & Knit Goods Manufacturers Association, to members of cloth section of Association *re* terms of sale—December 3, 1934.
- 585—Circular letter from Canadian Woollen & Knit Goods Manufacturers Association to members of cloth section, April 5, 1935, *re* terms of sale.
- 586—Circular letter from Canadian Woollen & Knit Goods Manufacturers Association to members of cloth section, May 3, 1935, *re* terms of sale.
- 587—Letter from Guelph Carpet & Worsted Spinning Mills to Mr. Hallam, Secretary Canadian Woollen & Knit Goods Manufacturers Association, January 15, 1935, *re* prices of hand knitting yarn.
- 588—Letter from Mr. Hallam to Mr. Johnston of Johnston Woollen Mills—June 27, 1935, *re* terms of sale.
- 589—Letter from J. R. Moodie to Mr. Hallam, December 14, 1935, *re* prices of children's sleepers (fleece lined).
- 590—Memo A—December 31, 1935, sent out by Mr. Hallam, Sec'y. Canadian Woollen & Knit Goods Manufacturers Association *re* prices and terms for all-wool pound socks
- 591—Circular letter from Mr. Hallam to certain manufacturers of ladies' and children's knitted underwear, August 16, 1935, *re* wholesale prices and terms for spring 1936.
- 592—File of correspondence in reference to production in broad silk mills.
- 593—Memorandum by Mr. Hallam to Mr. Whiteside, describing Canadian Woollen and Knit Goods Manufacturers Association and Combines Act, April 30, 1929.
- 594—Letter from Carl Stohn of Canada to Mr. Hallam, August 4, 1930, *re* dumping from United States.
- 595—Letter from Carl Stohn of Canada to Mr. Hallam, December 12, 1930, together with petition of November 20, 1930, opposing application of cotton yarn manufacturers for a duty on yarns 40/2 count and finer.
- 596—Letter from Atlantic Underwear Co. to Mr. Hallam, December 22, 1930, together with reply, December 29, 1930, *re* increase in price of rayon yarn.
- 597—Letter from Mr. W. P. MacDougall to Mr. Hallam, dated February 17th, 1931, together with cost sheet of rayon yarns in Canada, U.S.A., and England.
- 598—Copy of letter from Mr. Hallam to Mr. P. R. Watson, of Grout's Ltd., January 29th, 1931, *re* matters to be dealt with during 1931 session of Parliament, etc.
- 599—Copy of letter from President of Silk Association of Canada to Prime Minister, February 10, 1931, *re* prices.

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- 600—Copy of letter from Mr. Berry to Mr. R. G. Tolmie, June 16, 1936, together with copy of memorandum on cotton industry.
- 601—Statement dated February 14, 1935, *re* operating results of U.K. spinning companies, 1930—1934.
- 602—Copy of letter from Mr. Hallam to Mr. A. Thompson, Supersilk Hosiery Co., July 25, 1928, requesting particulars of machinery installed and on order.
- 603—Letter from Supersilk Hosiery Mills to Silk Association of Canada, September 21, 1929, *re* price cutting by hosiery mills
- 604—Letter from Supersilk Hosiery to Mr. Hallam, September 30, 1930, *re* becoming a member of the Silk Association of Canada.
- 605—Letter from Belding-Corticelli Ltd., to Mr. Hallam, December 17, 1931, *re* proposed purchase of yarns from Aberfoyle Mfg. Co.
- 606—Circular letter from Mr. Hallam to Broad Silk Section of Silk Association of Canada, May 21, 1932, *re* over-production.
- 607—Copy of letter from Mr. Hallam to Mr. Bonneville, December 12, 1932, *re* selling branded lines of hosiery at a discount.
- 608—Copy of memorandum by Mr. Hallam to a bank, October 19, 1934, outlining position of Broad Silk Mills and Hosiery Mills.
- 609—Copy of letter from Mr. Hallam to Mr. Marx, October 17, 1935, *re* representations to Government.
- 610—Copy of letter from Mr. Hallam to Mr. Heyelman, May 25, 1932, outlining operations of Silk Association of Canada and Canadian Woollen and Knit Goods Manufacturers Association.
- 611—File of production and sales of Full Fashioned Hosiery, February 1936 and March 1936.
- 612—Letter from G. B. Gordon to Mr. Hallam, March 4, 1935, *re* financial position of Lancashire cotton industry in 1934.
- 613—Letter from Mr. Cowling to Mr. Hallam, October 27, 1933, together with letter from Mr. Bates to Mr. Hallam requesting information about duties on acetate yarns.
- 614—Letter from Mr. Bates to Mr. Hallam, September 5, 1935, together with reply to Mr. Hallam *re* use of 1935 Textile Manual.
- 615—Series of Study Club notes compiled by Mr. Douglas Hallam.
- 616—Letter from Mr. Hallam to Mr. P. R. Watson, February 24, 1934. Letter from Mr. Watson to Mr. Hallam, March 5, 1934, *re* activities of Silk Association of Canada.
- 617—Copy of letter from Mr. Hallam to Mr. Bates, October 23, 1935, *re* Renfrew Machinery mill.
- 618—Letter from Mr. Bates to Mr. Hallam, October 28, 1935 *re* use of Textile Manuals.
- 619—Copy of letter from Mr. Hallam to Mr. Stanley Johnston, *re* silk and woollen industry in Canada.
- 620—Letter from Mr. John Cowling to Mr. E. S. Bates, January 17, 1934, together with letter from Mr. E. S. Bates to Mr. Cowling, January 25, 1934, *re* duties on acetate yarns.
- 621—Letter from LaFrance Textiles Ltd. to Mr. Hallam, April 6, 1933, *re* textile duties.
- 622—Letter from LaFrance Textiles Ltd. to Mr. Hallam, April 10, 1933, *re* tariff on pile fabrics.
- 623—Letter from Wabasso Cotton Co. Ltd. to Cotton Institute of Canada, November 4, 1935, together with letter from Institute, October 21, 1935. Also replies from Canadian Cottons Ltd. and R. E. Loper Co. and letter to Tariff Board, together with statements from Mr. Berry and Miss McEvoy and verbatim proceedings (Reference 83) *re* mule and ring spun yarns, July 16, 1934.
- 624—Letter from Holeproof Hosiery Co. to Mr. Hallam, *re* export business, April 4, 1932.
- 625—Letter from Supersilk Hosiery Mills Ltd. to Silk Association of Canada *re* export business, April 4, 1932.
- 626—Letter from Mr. John Cowling to Mr. Hallam, February 21, 1934 *re* wages paid in cotton and silk industries.
- 627—Memorandum from Mr. W. M. Berry to Mr. Hallam, October 30, 1935, *re* prices on English grey cotton cloth, 1929 to 1935.
- 628—Letter from Mr. P. R. Watson to Mr. Hallam, April 13, 1932, *re* export business and comparison of broad silk industry in Canada and England.
- 629—Letter from Mr. P. R. Watson to Canadian Manufacturers Association, April 22, 1932, comparing industry in Canada and England.
- 630—Copy of letter from Mr. P. R. Watson to Mr. Hallam, April 13, 1932, *re* Manhattan Mills Limited.
- 631—Copy of a letter from Mr. Hallam to Mr. Sherzer, April 16, 1932, *re* Manhattan Mills Limited.
- 632—Letter from Mr. P. R. Watson to Mr. Hallam, July 25, 1932, *re* Empire content of silk goods.
- 633—Letter from Mr. P. R. Watson to Mr. Hallam, October 17, 1935, *re* Tariff Board.

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- 634—Copy of letter from Mr. Hallam to Mr. Scully, July 23, 1935, together with reply of Mr. Scully, July 25, 1935, together with letter of Mr. Hallam, July 25, 1935; also wire from Mr. Scully to Mr. Hallam, July 26, 1935.—Copy of letter from Mr. Hallam to Mr. Scully with circular letter, July 26, 1935; telegram from Mr. Scully to Mr. Hallam, July 27, 1935; Copy of letter from Mr. Hallam to Mr. Scully, July 29, 1935.
- 635—Copy of letter dated February 1, 1932, from Mr. Hallam to Consolidated Silk Mills Ltd., February 1935, *re* effect of 1930 and 1931 tariff changes.
- 636—Statement showing employment in primary textile industry, 1930-1935.
- 637—Comparative Report on Silk Weaving Industry in Canada, 1930 and 1931.
- 638—Summary report of 40 mills producing woollen and worsted cloths, 1930-1931.
- 639—Summary report of 66 knitting mills, 1930-1931.
- 640—Memorandum on Woollen Industry, May 26, 1936.
- 641—Memorandum on Carpet Manufacturing Industry, June 2, 1936.
- 642—Copy of letter from Secretary of State to Japanese Minister, September 4, 1935, *re* trade relations between Canada and Japan.
- 643—Memorandum of Department of Customs *re* Tariff Surtax against Germany, 1903-1910.
- 644—Copy of letter dated September 8, 1936, from Dr. O. D. Skelton to Mr. A. S. Whiteley, *re* value of yen in 1937.
- 645—Memorandum, Department of National Revenue, August 6, 1935, *re* surtax on Japanese goods.
- 646—Statement of comparative woollen and worsted wages, Canada and Great Britain.
- 647—Progress report by Mr. Hallam to Cotton Institute of Canada and Silk Association of Canada, June 27, 1935, *re* secrecy of costs (Rereference 83).
- 648—Copy of *Rayon Organon*, August, 1936, and *Mercury and Argus*, July 3, 1936.
- 649—Copy of letter dated November 15, 1935, from Chargé d'Affaires, Washington, to United States Secretary of State, together with United States-Canada Trade Agreement, November 15, 1935.
- 650—Statement of changes in United Kingdom duties on silk hosiery, 1930-1932.
- 651—Imports of real silk hosiery into United Kingdom by countries, 1932-1934.
- 652—Circular letter of Silk Association of Canada, May 4, 1933, on hosiery tariffs in Empire.
- 653—Statements of monthly imports into Canada of Japanese cotton piece goods by months, 1935 and 1936.
- 654—Statements of monthly imports into Canada of Japanese real silk goods by months, 1935 and 1936.
- 655—Statements of monthly imports into Canada of Japanese artificial silk goods, by months, 1935 and 1936.
- 656—Letter from Mr. Hallam to Mr. Watson, September 25, 1928, together with letter to Katakura Co., New York, August 25, 1928 and letter from Katakura Co., August 23, 1928, *re* silk industry in Canada.
- 657—Copy of letter from Mr. Hallam to Silk Association of America, June 4, 1932, enclosing clipping from financial firms *re* proposals by promoters to establish silk mills in Canada.
- 658—Copy of letter from Mr. Hallam to Mr. P. R. Watson, June 2, 1933, and copy of letter from Mr. Cowling to *Canadian Textile Journal*, May 15, 1933, *re* silk industry in Canada.
- 659—Copy of letter from Mr. Hallam to Mr. Marx, February 19, 1935 and copy of letter from Mr. Hallam to *Daily News Record*, February 25, 1935, warning of excess production.
- 660—Copy of letter from Mr. Apps, of C.P.R., to Prime Minister, April 28, 1931, and copy of letter from C.N.R. to Prime Minister, May 4, 1931, *re* revenue derived from shipments of raw silk and fabrics.
- 661—Letter from Mr. Hallam to Mr. Marx, August 29, 1934, *re* production of broad silks in 1933 and 1934.
- 662—Copy of letter from Mr. Watson to Rt. Hon. R. B. Bennett, May 13, 1931, *re* tariff on artificial silk fabrics.
- 663—Copy of Industrial Standards Act, Ontario, together with list of industries under the Act, and some of schedules adopted.
- 664—Constitution and By-laws of the Canadian Manufacturers' Association.
- 665—Report of executive council of Canadian Manufacturers Association, 1936.
- 666—Table showing Canada's trade with Japan for fiscal years 1922 to 1936.
- 667—Table showing Canada's trade with Japan by months, 1934 to 1936.
- 668—Copy of *Oriental Economist*, July, 1936, containing article on Japanese imports of wheat from 1929 to 1935.
- 669—Two samples of Japanese rayon stripes.
- 670—Customs and Excise Tariff, Great Britain, in operation on January 1, 1936.
- 671—Statement and balance sheet of Monarch Knitting Co. Ltd., January 15, 1908, together with balance sheet, January 15, 1912.

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- 672—Cumulative percentages of workers according to hourly earnings, Monarch Knitting Co. Ltd., Dunnville, Ontario.
- 673—Statement of Average Hourly earnings, males and females, Monarch Knitting Co. Ltd., Dunnville, Ontario.
- 674—Copy of a letter from Mr. Burns of Monarch Knitting Co. Ltd to Mr. Hallam, September 8, 1930, *re* tariff.
- 675—Copy of telegram from Mr. Hallam to Mr. J. A. Burns, October 17, 1933, *re* full-fashioned hosiery agreements.
- 676—Letter from Mr. Hallam to Mr. Burns, December 31, 1935, *re* full-fashioned hosiery agreements.
- 677—Letter from Mr. Hallam to Mr. Burns, November 6, 1934, *re* full-fashioned hosiery agreements.
- 678—Copy of letter from Mr. Burns to Mr. Hallam, October 18, 1934, *re* full-fashioned hosiery.
- 679—Copy of letter from Mr. Burns to Mr. Hallam, June 4, 1934, *re* full-fashioned hosiery.
- 680—Circular containing minutes of meeting of full-fashioned hosiery section, May 10, 1933.
- 681—Letter from Mr. Hallam to Mr. Burns, February 2, 1933, *re* full-fashioned hosiery meeting in Montreal.
- 682—Pamphlet received by Mrs. Collard in pay envelope, October, 1935.
- 683—Copy of a letter from Mr. Burns to Mr. Hallam, February 15, 1934, *re* prices for discontinued line of hosiery.
- 684—Letter from Mr. Hallam to Mr. Burns, December 20, 1934 *re* 7 per cent prepayment allowance, together with circular from Mr. Hallam, December 29, 1934.
- 685—Circular letter from Mr. Hallam, August 4, 1934. Letter from Mr. Hallam to Mr. Burns, September 4, 1935, *re* voluntary arbitration Board.
- 686—Monarch Employees Relief Association—Constitution.
- 687—Letter from Mr. Hallam to Mr. Burns, April 10, 1935, *re* Industrial Standards Bill (Ontario).
- 688—Copy of letter from Mr. Burns to Mr. Hallam, June 1, 1935, *re* publicity.
- 689—Letter from Mr. Hallam to Mr. Burns, January 22, 1936, *re* Canadian Silk Products.
- 690—Statement of sales, net profits and yard sales, compared for 7 years ending 1935 (Grout's Limited).
- 691—Similar statement for two-year period, ending August 1935 (Grout's Limited).
- 692—Statement showing sales, net profits from 1926-1935 (Grout's Limited).
- 693—Statement of Executive and Administrative Salaries and bonuses as percentage of sales, 1926-1935 (Grout's Limited).
- 694—Statement of wages as percentage of sales, 1926-1935 (Grout's Limited).
- 695—Statement of wages as percentage of sales (less raw material cost) 1926-1935 (Grout's Limited).
- 696—Statements of sales, wages, Executive and Administrative expenses, 1926-1935 (Grout's Limited).
- 697—Statement of average weekly wage and loom hours, 1933-1935 (Grout's Limited).
- 698—Average hourly earnings, by occupations, 1926-1936 (Grout's Limited).
- 699—Distribution of employees according to hourly earnings 1936, Grout's Limited and Valleyfield Silk Mills Ltd.
- 700—Distribution of employees according to earnings in pay period, February, 1936, Grout's Ltd. and Valleyfield Silk Mills Ltd.
- 701—Average hourly earnings of employees, 1934-1936, Grout's Limited and Valleyfield Silk Mills Ltd.
- 702—File of correspondence from Grout's Limited *re* control of silk production, 1932-1933.
- 703—Letter from Mr. Hallam to Mr. Watson, March 12, 1934, and reply dated March 14, 1934, and letter from Mr. Hallam to Mr. Watson, March 21, 1934; further letter from Mr. Watson to Mr. Hallam, March 26, 1934, *re* sample of Habutai twill, made by Grout's Limited.
- 704—Letter from Mr. Hallam to Mr. Watson, Oct. 1, 1930, together with copy of article for publication in the *Daily News Record* and the *American Silk Journal*.
- 705—Balance sheet of Penman Manufacturing Co. Ltd., December 31, 1905.
- 706—Balance sheet of Penmans Ltd., December 31, 1907.
- 707—Copy of a letter from Penmans Ltd. to Mr. Hallam, February 16, 1933, *re* minimum prices for full-fashioned hosiery.
- 708—Letter from Mr. Hallam to Penmans Ltd., December 16, 1935, *re* prices for Children's Fleece lined sleepers.
- 709—Circular letter from Mr. Hallam to Penmans Ltd., April 24, 1933, together with memo *re* prices for certain lines of underwear.
- 710—Letter from Mr. Hallam to Penmans Ltd., May 4, 1933, *re* prices for ladies' underwear, Fall 1933.

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- 711—Letter from Mr. Hallam to Penmans Ltd., June 19, 1933, *re* prices for ladies' underwear. Spring 1934.
- 712—Copy of a letter from Penmans Ltd., to Mr. Hallam, August 8, 1933, *re* prices for underwear for spring of 1934.
- 713—Copy of a letter from Mr. Hallam to Penmans Ltd., January 29, 1934, *re* prices for plum lines of ladies' underwear.
- 714—Telegram from Mr. Hallam to Penmans Ltd., and further telegram, April 25, 1934, *re* hosiery prices.
- 715—Letter from Mr. Hallam to Penmans Ltd., August 20, 1934, *re* wholesale prices and terms for ladies' and children's underwear.
- 716—Letter from Mr. Hallam to Penmans Ltd., December 15, 1934, *re* wholesale prices and terms for ladies' and children's underwear.
- 717—Letter from Mr. Hallam to Penmans Ltd., December 21, 1934, *re* weights of flat knit plum line bloomers.
- 718—Letter from Mr. Hallam to Penmans Ltd., December 27, 1934, giving weights and prices for flat knit plum line vests and bloomers.
- 719—Letter from Mr. Hallam to Penmans Ltd., December 29, 1934, *re* specifications and prices for bloomers.
- 720—Letter from Mr. Berry to Penmans Ltd., April 21, 1936, containing translation of notice issued by Dominion Textile Co. Ltd. in respect to labour organizations.
- 721—Copy of letter from H. W. Lundy of Penman's Ltd., January 16, 1936, *re* Japanese competition and operation of Primary Textiles Institute.
- 722—Letter from Mr. Hallam to Penmans Ltd., June 7, 1935, enclosing Study Club notes.
- 723—Copy of letter from Penmans Ltd., to Mr. Howson, October 16, 1936, making certain corrections to questionnaire.
- 724—Statement of piece-work rates for Brantford Mill, of Penmans Ltd., for standard operations.
- 725—Statement showing calculated figures of annual wages by mills, Penmans Ltd.
- 726—Statement showing calculated figures of annual wages for workers earning over and under \$1,000, Penmans Ltd.
- 727—Statement showing calculated annual earnings—Penmans Ltd.
- 728—Statement showing percentage of mill wages to sales—Penmans Ltd.
- 729—Verbatim report of interview with Mr. Johnson, of Courtaulds (Canada) Ltd., Wednesday, September 9, 1936.
- 730—Report of negotiations between employees and Courtaulds (Canada) Ltd., August and September, 1936.
- 731—Statement of sales of Courtaulds in Canada, June 1925-July 1930, together with statement of sales from January 1, 1930 to December 31, 1935.
- 732—Sales by Courtaulds (Canada) Ltd. to Weaving Customers, 1935-1936.
- 733—Copy of a letter from Mr. Linnett of Courtaulds (Canada) Ltd., to Hon. Mr. Ryckman, September 10, 1930, *re* prices of rayon yarns.
Memo by Courtaulds (Canada) Ltd. *re* interview August 18, 1930.
Table of Production and Wages, 1925 to 1930.
Letter dated November 27, 1930 from Courtaulds (Canada) Ltd., to Department of National Revenue (Mr. William), *re* tariff on rayon yarns.
Letters *re* increase in rayon yarn prices by Courtaulds (Canada) Limited.
Letter from Eastern Hosiery Mills to Hon. Mr. Rhodes, November 10, 1930.
Letter from D'Aillard Mfg. Co. to Department of National Revenue, November 27, 1930, December 29, 1930.
Letter from Eastern Hosiery Mills to Mr. R. W. Breadner, December 22, 1930.
Letters from Consolidated Felt Co. to Department of National Revenue, December 12, 1930 and December 26, 1930.
Letters from Eastern Hosiery Mills to Mr. R. W. Breadner with brief, December 22, 1930 and December 27, 1930.
Copy of letter from Eastern Hosiery Mills to Hon. Mr. Rhodes, January 16, 1931, together with material from U.S. Department of Commerce.
Copy of letter from Rt. Hon. R. B. Bennett to Courtaulds (Canada) Ltd., February 19, 1931.
Copy of letter from Courtaulds (Canada) Ltd. to Rt. Hon. R. B. Bennett, February 20, 1931.
Letter from Eastern Hosiery Mills to Hon. Mr. Rhodes, February 19, 1931, together with brief prepared by U.S. Tariff hearing.
Letter from Rt. Hon. R. B. Bennett to Courtaulds (Canada) Ltd., March 4, 1931.
Letter from Courtaulds (Canada) Ltd. to Rt. Hon. R. B. Bennett, March 6, 1931.
- 734—Four pay envelopes of M. J. Quenneville, Canadian Cottons Ltd.
- 735—Distribution of Mill Employees by Hourly Earnings, 1936—Courtaulds (Canada) Ltd.

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- 736—Distribution of Mill Employees by Earnings in Pay Period, 1936—Courtaulds (Canada) Ltd.
- 737—Average hourly earnings by occupations, 1934 and 1936—Courtaulds (Canada) Ltd.
- 738—Statement of labour cost per pound of rayon yarn, 1934-35—Courtaulds (Canada) Ltd.
- 739—Statement of Average Hourly Earnings, February, 1936, Canadian Cottons Ltd.
- 740—Statement of Average Earnings in Pay Period, 1936, Canadian Cottons Ltd.
- 741—Letter from Canadian Celanese Ltd. to Royal Commission on the Textile Industry, October 5, 1936, *re* output and sales of yarn from 1930 to 1936.
- 742—Letter from Canadian Celanese Ltd. to Hon. E. B. Ryckman, September 5, 1930, *re* tariff on artificial silk yarns.
- 743—Letter from Canadian Celanese Ltd. to Mr. R. W. Breadner, March 10, 1931, enclosing copy of letter to Prime Minister *re* tariff.
- 744—Letter from Mr. John R. Bain (Canadian Celanese Ltd.) to Prime Minister, April 16, 1931, *re* sales of yarn to Canadian weavers.
- 745—Letter (copy of) from Canadian Cottons Ltd. to Canadian Celanese Ltd., April 2, 1932 and reply thereto from Canadian Celanese, April 5, 1932.
 Letter from Canadian Cottons Ltd. to Hon. Mr. Rhodes, April 22, 1932.
 Letter from Commissioner of Customs to Canadian Cottons, May 10, 1932.
 Letter from Canadian Cottons to Commissioner of Customs, May 11, 1932.
 Letter from Canadian Cottons to Commissioner of Customs, May 17, 1932, *re* acetate yarns.
- 746—Five pay envelopes of Mr. Adolphe Boutet, Montmorency Mill, Dominion Textile Co.
- 747—Telegram from Mr. Gordon to Delphis Lachance, jr., August 27, 1936, together with letter from D. Lachance, jr., August 25, 1936.
- 748—Statement of synthetic yarns prices in U.S.A., 1926-1933.
- 749—Letter from Canadian Celanese Ltd. to Slingsby Mfg. Co., March 7, 1933, quoting on 100 denier and 75 denier celanese yarn.
- 750—Letter from R. P. Sparks to Hon. Mr. Rhodes, December 14, 1933, *re* tariff on acetate yarns.
- 751—Statement of production of yarns and fabrics by Canadian Celanese Ltd., 1927-1935.
- 752—Statement of acetate yarn prices, U.S.A., 1925-1936.
- 753—Statement of costs per unit of Canadian Celanese Ltd.
- 754—Distribution of employees, according to hourly earnings, 1936—Canadian Celanese Ltd.,
- 755—Distribution of employees, according to earnings in pay period, 1936—Canadian Celanese Ltd.
- 756—Average hourly earnings by occupations, 1934 and 1936. Canadian Celanese Ltd.
- 757—Copy of telegram from Mr. Evans to Mr. Dodd, June 21, 1936.—Reply of telegram from Mr. Dodd to Mr. Evans.
 Telegram in reply from Mr. Evans to Mr. Dodd.
 Copy of letter from Mr. R. H. Hield to Cross Hills, August 21, 1933.
 Copy of letter from Cross Hills, England, to Kingston, August 22, 1933.
 Copy of letter from Kingston to Cross Hills, August 31, 1933.
 Copy of letter from Kingston to Cross Hills, January 29, 1934.
 Copy of letter from Cross Hills to Kingston, February 14, 1934.
 Copy of letter from Kingston to Cross Hills, January 29, 1934.
 Copy of letter from Hield Bros. to Mr. Hallam, July 13, 1933.
 Copy of letter from Mr. Hallam to Mr. Hield, July 17, 1933.
 Copy of letter from Mr. Hield to Mr. Hallam, July 18, 1933.
 Copy of letter from Mr. Hield to Cross Hills, November 2, 1933.
 Copy of letter from Kingston to Cross Hills, January 8, 1934.
 Copy of letter from Cross Hills to Kingston, January 9, 1934.
 Copy of letter from Mr. Hallam to Hield Bros., March 6, 1934.
 Copy of letter from Mr. Hallam to Hield Bros., March 26, 1934.
 Copy of letter from Kingston to Cross Hills, December 17, 1934.
 Copy of letter from Kingston to Cross Hills, January 10, 1935.
 Copy of letter from Kingston to Cross Hills, July 25, 1933.
 Copy of letter from Cross Hills to Kingston, July 25, 1933.
 Copy of letter from Kingston to Cross Hills, October 24, 1933.
 Copy of letter from Kingston to Cross Hills, August 8, 1933.
 Copy of letter from Mr. E. R. Beale to Mr. Davis Hield, June 22, 1933.
Re prices of Woollens and Worsteds.
- 758—Statement of wages in Textile Industry in Quebec, 1935-1936.
- 759—Report of Minimum Wage Board, Quebec, with analysis, 1934-35.
- 760—File of miscellaneous correspondence with Hield Bros.
- 761—Copy of a letter from Mr. Hallam to Hield Bros., June 9, 1933, *re* prices for serges and fancy piece dyes.

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- 762—Graph of prices of wool tops, yarns, etc., up to January, 1936, and table based on graph.
- 763—Copy of a letter from Mr. Hallam to Mr. Dodd, December 9, 1932.
Copy of a letter from Mr. Dodd to Mr. Hallam, December 27, 1932.
Copy of a letter from Mr. Hallam to Mr. Dodd, June 7, 1934.
Copy of a letter from Mr. Dodd to Mr. Hallam, May 22, 1935.
Memo from Mr. Hallam about pool and prices, May 16, 1935.
Copy of a letter from Mr. Dodd to Paton Mfg. Co., May 23, 1935.
- 764—File of teletype messages *re* prices to be charged for serges—
Mr. Hallam to Mr. Dodd, May 25, 1933.
Mr. Hallam to Mr. Dodd, May 26, 1933.
Mr. Hallam to Mr. Dodd, June 17, 1933.
Mr. Dodd to Mr. Hallam, June 19, 1933.
Mr. Dodd to Paton Mfg. Co., July 11, 1933.
Mr. Renwick to Mr. Dodd, July 11, 1933.
Mr. Dodd to Dominion Woollens & Worsteds Ltd., October 5, 1933.
Teletype message from Mr. Dodd to Mr. Hallam, November 30, 1933.
Teletype message from Mr. Dodd to Mr. Guard, salesman Paton Mfg. Co., December 4, 1935.
Teletype message from Mr. Dodd to Dominion Woollens & Worsteds Ltd., December 16, 1933.
Telegram from Mr. Hallam to Mr. Dodd, December 16, 1933.
Teletype message from Mr. Dodd to Mr. Guard, salesman Paton Mfg. Co., December 21, 1933.
Telegram from Mr. Dodd to Mr. Hallam, January 2, 1934.
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Telegram from Mr. Dodd to Mr. Hallam, January 3, 1934.
Telegram from Mr. Dodd to Mr. Hallam, January 4, 1934.
Telegram from Mr. Dodd to Mr. Guard, salesman, Paton Mfg. Co., January 27, 1934.
Telegram from Mr. Dodd to Mr. Guard, salesman, Paton Mfg. Co., February 2, 1934.
Telegram from Mr. Dodd to Mr. Hallam, February 14, 1934.
Telegram from Mr. Dodd to Mr. Hallam, February 15, 1934.
Telegram from Mr. Dodd to Mr. Hallam, March 27, 1934.
Telegram from Mr. Dodd to Mr. Renwick, January 26, 1934.
Telegram from Mr. Dodd to Dominion Woollens & Worsteds Ltd., December 21, 1934.
Telegram from Mr. Dodd to Dominion Woollens & Worsteds Ltd., May 25, 1933.
- 765—Price memoranda of wool manufacturers.
- 766—File of correspondence from Paton Mfg. Co. *re* prices for serges and fancy piece dyes.
- 767—File of correspondence between Paton Mfg. Co. and Dominion Woollens and Worsteds Ltd. *re* prices.
- 768—File of correspondence between Paton Mfg. Co. and Mr. Hallam, *re* prices.
- 769—File of teletype between Mr. Dodd and others (inclusive 1936 letters and wires) *re* prices.
- 770—Letter from Mr. Dodd to Mr. Hallam, July 13, 1934, *re* prices.
- 771—Letter from Mr. Hallam to Mr. Dodd, July 4, 1934, *re* prices.
- 772—File of correspondence, Paton Mfg. Co.—Barrymore Cloth Co., *re* prices.
- 773—File of correspondence (3 telegrams) Paton Mfg. Co.—Hield Bros., *re* prices.
- 774—File of correspondence—Paton Mfg. Co. *re* prices.
- 775—File of teletype messages, Mr. Dodd and others, *re* prices.
- 776—File of teletype messages, Mr. Dodd and others, *re* prices.
- 777—File of correspondence between Mr. Dodd and Mr. Hallam, *re* prices.
- 778—File of correspondence between Mr. Dodd and Mr. Hallam, *re* prices.
- 779—File of correspondence between Mr. Dodd and Mr. Guard (Toronto office), *re* prices.
- 780—File of correspondence, Mr. Dodd and Mr. Guard (Toronto office).
- 781—Statement of costs and list price on Blue Serge, Paton Mfg. Co. Ltd.
- 782—File of correspondence, Mr. Dodd and Barrymore Cloth Co. Ltd., *re* prices.
- 783—Profit and Loss Statement of Paton Mfg. Co. Ltd., 1924-1935.
- 784—Statement of costs and list price on Blue Serge, Paton Mfg. Co. Ltd.
- 785—Memo of order received by Paton Mfg. Co. Ltd. from Ogulnick.
- 786—Cost sheet of one cloth, Paton Mfg. Co. Ltd.
- 787—Extract from *Canadian Textile Journal*, May 18, 1934, *re* cell-acetate tariff.
- 788—Memorandum of Prof. Francois Vezina, *re* textile industry in Quebec.
- 789—File of correspondence, Mr. Dodd and Mr. Hallam, *re* towels.
- 790—Memo showing Canadian production and consumption of towels, 1934.

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- 791—Price list of hosiery yarns and warp yarns, July 15, 1936.
- 792—Analysis of wage costs, profits and selling price, 1926-1935, Canadian Silk Products Ltd.
- 793—Letter from Mr. Thompson to Silk Association of Canada, February 6, 1936.
Letter from Mr. Hallam to Mr. Thompson, February 10, 1936.
Memo on hosiery prices, May 5, 1936.
Letter from Mr. Cook to Gainsborough Shop, Ottawa, May 14, 1936.
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Letter from Mr. Cook to Mr. Hallam, May 16, 1936.
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Memo on prices, July 29, 1936.
Price lists of Canadian Silk Products Ltd., May 20, 1936.
Illustrated Price Catalogue, August 11, 1936, of Canadian Silk Products Ltd.
- 794—File of correspondence *re* full-fashioned hosiery prices Canadian Silk Products Ltd. and Silk Association of Canada, June 24, 1935.
Mr. Hallam to Canadian Silk Products Ltd., July 10, 1935.
Telegram Mr. Hallam to Canadian Silk Products, July 17, 1935.
Circular, Mr. Hallam to Canadian Silk Products, July 19, 1935.
- 795—File of correspondence between Canadian Silk Products and Silk Association of Canada *re* Full-Fashioned hosiery.
- 796—Statement of inventory reserve of Canadian Cottons Ltd. 1916 to 1936.
- 797—Memorandum by La Federation Catholique Nationale du Textile, Inc., on complaints of workers together with letter to Mr. Beauregard, K.C., August 18, 1936.
- 798—File of correspondence in regard to Habutai Silk (Twill).
Silks Ltd. to Commissioner of Customs, Feb. 6, 1934.
Commissioner of Customs to Silks Ltd., Feb. 10, 1934.
Silks Ltd. to Commissioner of Customs, Feb. 13, 1934.
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Mr. D. Hallam to Customs Department, March 6, 1934.
Mr. D. Hallam to Customs Department, March 28, 1934.
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Department of National Revenue, No. 580, memo *re* tariff item 564, October 27, 1932.
Letter from Commissioner of Customs to A. B. Fisher Co., March 1, 1932 and memo. No. 461.
- 799—Statement of importations of woven fabrics under Item No. 560, 1930-1936.
- 800—File of Department Correspondence—*re* cotton crepe.
Gault Bros. to Department of National Revenue, March 19, 1932.
Reply, March 30, 1932.
Commissioner of Customs to Dominion Textile Co. April 12, 1932.
Montreal Cottons to Department of National Revenue, April 16, 1932.
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Commissioner of Customs to Montreal Cottons, April 30, 1932.
Montreal Cottons to Department of National Revenue, May 2, 1932.
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Commissioner of Customs to Montreal Cottons, August 5, 1932.
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- Telegram Gault Bros. to Department of National Revenue, August 3, 1932.
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- 801—Lambskin Cotton Fabric file. Department of National Revenue.
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- 802—Fugi Silk, Departmental file.
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- 803—Customs duties on cotton yarns and fabrics, May 1936.
 804—Summary of history of tariff items on cotton yarns, 1907-1936.
 805—Summary of history of tariff items on cotton fabrics, 1907-1936.
 806—Customs duties on artificial silk products, May 1936.
 807—Summary of tariff history on artificial silk products, 1923-1936.
 808—Customs duties on silk, May 1936.
 809—Summary of history of tariff items on silk products, 1906-1936.
 810—Customs Duties on woollens and worsteds, May 1936.
 811—Summary of history of tariff items on woollens and worsteds, 1907-1936.
 812—Summary of history of tariff items on Knitted Goods, 1906-1936.
 813—Summary of history of tariff on Hosiery and Gloves and Mittens, 1907-1936.
 814—Summary of history of tariff on Blankets and Rugs, 1907-1936.
 815—Summary of history of tariff items on Carpets and floor rugs, 1907-1936.
 816—Summary of history of excise taxes, June 2, 1931-1936.
 817—Memo setting forth Sec. 6 of Customs Tariff.
 818—Statement of price of raw cotton by days 1928—April 1936.
 819—Selling prices of cotton yarns on cones, Dominion Textile Co. 1929 to 1935.
 820—Statement of prices of No. 10 single cotton yarn, U.S.A. and Canada and amount of duty payable on U.S. Imports.
 821—Statement of mill spread on No. 10 single warp yarn, and mill spread between cotton yarn and raw cotton in Canada and U.S.A.
 822—Statement of comparative prices on 30's twisted cotton yarns, in Canada and U.S.A.
 823—Statement of comparative mill spread on 30's twisted yarns in Canada and U.S.A.
 824—Statement of comparative prices of 30's cotton warp yarn, Canada and U.S.A.
 825—Statement of comparative prices on cotton hosiery yarns, 30's single, in Canada and U.S.A.
 826—Statement of comparative mill spreads, hosiery yarns, 30's single, in Canada and U.S.A.
 827—Department of National Revenue letter, April 7, 1932, *re* value for duty of cotton grey goods and print cloths.
 828—Department of National Revenue, letter, September 13, 1932, and appraisers' bulletin No. 4096, effective September 1933, *re* value for duty of grey, bleached, dyed or printed fabrics.
 829—Statement of comparative prices on grey goods, sheetings 40 inches, with samples, Canada and U.S.A.
 830—Statement of mill spreads, grey goods 40½-inch sheetings, Canada and U.S.A.
 831—Statement of comparative prices on cotton print cloth, 44 inches, Canada and U.S.A.
 832—Statement of comparative prices on cotton sheeting, 36 inches, with samples, Canada and U.S.A.
 833—Statement of mill spreads on cotton sheeting, 36 inches, Canada and U.S.A.
 834—Statement of mill spreads on cotton sheeting, 81", with samples, Canada and U.S.A.
 835—Statement of United States mill margins (lowest in each year) 1913-1936, three grey goods.
 836—Statement of comparative prices of cotton sheeting, 72", with fabrics, Canada and U.S.A.
 837—Statement of mill spreads of cotton sheeting 72", Canada and U.S.A.
 838—Statement of Canadian mill spreads cotton grey goods, with samples, cotton bleached goods with samples No. 832.
 839—Statement of comparative prices of vat prints 36"/37" with sample, Canada and U.S.A.
 840—Statement of comparative mill spreads on vat prints 36"/37", Canada and U.S.A.
 841—Statement of comparative mill spreads on bleached cotton fabrics 35"/36" (Ex. 842), Canada and U.S.A.
 842—Statement of comparative prices on cotton fabric, bleached 35"/36", Canada and U.S.A.
 843—Statement of comparative prices on vat light colour dyed fabrics, 35"/36", Canada and U.S.A.

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- 844—Statement of comparative mill spreads of Ex. 843, Canada and U.S.A.
 845—Statement of comparative prices cotton goods 35"/36" dark colours, Canada and U.S.A.
 846—Statement of comparative prices of vat print 64"/60" with samples, Canada and U.S.A.
 847—Appraisers Bulletin re fixed valuation, December 12, 1931, and cancellation, December 27, 1935.
 848—Department of National Revenue letter April 14, 1932, *re* value for duty of cotton fabrics from dyed yarn, when imported from U.S.A., cancelled February 24, 1934.
 849—Statement of comparative prices of denim, white back, yarn dyed, Canada and U.S.A.
 850—Statement of comparative mill spreads of Exhibit 849, Canada and U.S.A.
 851—Statement of comparative prices on red backed denim, with samples, Canada and U.S.A.
 852—Statement of mill spreads on Ex. 851, Canada and U.S.A.
 853—Statement of comparative prices on chambray, 36", yarn dyed with samples, Canada and U.S.A.
 854—Statement of mill spreads on Exhibit 853, Canada and U.S.A.
 855—Statement of comparative prices of bleached flannelette, 27", with samples, Canada and U.S.A.
 856—Statement of mill spreads on Exhibit 855, Canada and U.S.A.
 857—Comparative statement of prices of English and Canadian hosiery yarns, 30's singles.
 858—Statement of comparative prices of English and Canadian cotton warp yarns.
 859—Statement of mill spreads on English yarns in Ex. 857 and Exhibit 858.
 860—Statement of English prices of Sateen in grey, 41".
 861—Statement of English prices of 38" twill in grey.
 862—Letter from Bruck Silk Mills to Textile Commission, Nov. 6, 1936. Letter from Mr. Douglas Hallam to Bruck Silk Mills, March 6, 1934.
 Letter from Bruck Silk Mills to Mr. Douglas Hallam, March 14, 1934, *re* Habutai Twill Silk.
 863—Comparative statement of prices for viscose yarns, 150 den., 1930-1935, Canada and U.S.A.
 864—Comparative statement of prices of viscose yarns, Netherlands and Canada, 150 denier, 1930-1935.
 865—Statement of comparative prices for viscose yarns, United Kingdom and Canada, 100 denier, 1930-1935.
 866—Statement of rayon fabric selling prices, U.S.A., October 6, 1936. (U.S. Samples include cotton) and duties payable on imports to Canada together with samples.
 867—Statement of mill spread, Canadian Cottons Ltd. on 27" rayon taffeta.
 868—Statement of laid-down price in Toronto of certain Japanese rayon fabrics, with samples.
 869—Statement of comparative selling prices, U.S.A. and Canada, real silk fabrics, with samples.
 870—Statement of mill spreads on Carpets, Canada and U.S.A.
 871—Statement of selling prices of U.S.A. and Canada-cotton and wool blankets, 1930-1936, with samples.
 872—Mill spreads on U.S.A. and Canadian blankets in Ex. 871, 1931-1936.
 873—Statement of prices in United States, cotton blanket, 1930-36.
 874—Statement of mill spread in U.S.A. and Canada on blanket in Ex. 873, 1929-1936.
 875—Statement of selling prices of carpet, United Kingdom, 1929-1935.
 876—Statement of selling prices of Wilton Carpet, United Kingdom, 1930-1935.
 877—Statement showing effect of Appraiser's bulletin on the price of cotton stockinette.
 878—Appraiser's bulletin, June 7, 1932, *re* fixed valuation, knitted goods, cancelled January 1, 1935.
 879—Statement showing effect of Customs duties under Tariff Item 568 and fixed valuation as provided for in Appraiser's Bulletin No. 3886 (Ex. 878).
 880—Letter from Mr. A. S. Biffi to Mr. G. E. Hooper, October 29, 1936, *re* selling price in Italy for 100 denier acetate yarns.
 881—Statement of Canadian Customs' Drawback, 1929-1936.
 882—Statement of imports into Canada of silk socks and stockings, 1920-1936.
 883—Statement of Canadian exports of wood pulp to Japan, 1930-1936.
 884—Statement of Canadian imports from Japan for period January 1 to September 30, 1935 and 1936.
 885—Statement of Canadian imports from Japan of cotton fabrics to September 24, 1936.
 886—Statement of Canadian imports from Japan of artificial silk fabrics, May and June, 1936.
 887—Statement of Canadian importations of artificial silk fabrics by types from Japan, from June, 1936, to September, 1936.
 888—Deliveries of artificial silk fabrics by Canadian mills, 1934, 1935 to June, 1936.
 889—Imports into U.S.A. from Japan of artificial silk fabrics, January to July, 1936.
 890—Imports into U.S.A. from Japan of real silk fabrics, 1932, 1933, 1934, 1935 and 2 months of 1936.

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- 891—Statement of textile items, subject to drawback for home consumption.
- 892—History of textile tariff, 1897 to 1907 on cotton yarn and cloth.
- 893—Statement showing net French Treaty rates from 1928 to 1932 on cotton yarns and fabrics.
- 894—Report of Tariff Board on Ref. 83, cotton yarns, cotton fabrics, artificial silk fabrics.
- 895—File of correspondence between Canadian Cottons Ltd. and Commissioner of Taxation, 1920-23.
- 896—Statement showing imports into Canada of textile machinery, 1930-35.
- 897—Statement showing imports into Canada of artificial silk and mixture fabrics from U.S.A., United Kingdom and Japan, by months, 1936, and comparison 1935.
- 898—Examples of duties in 1937 on Japanese rayons, based on yen at 35 cents and exchange value as shown on samples in Exhibit 868.
- 899—Statement of production of Montreal Cottons, of yarns 40's and finer, 1935 and 1936.
- 900—Synopsis of Custom Act, Section 6 of Custom Tariff Act, *re* valuation for duty.
- 901—Questionnaire of Courtaulds (Canada) Limited.
- 902—Memorandum *re* capital structure, operations and profit and loss, fixed assets and depreciation of Courtaulds (Canada) Ltd.
- 903—Summary of operations of Courtaulds (Canada) Ltd., 1926-1935.
- 904—Questionnaire of Associated Textiles Ltd.
- 905—Questionnaire of Rayons (Canada) Ltd.
- 906—Questionnaire of Ultra Chemical Co. Ltd.
- 907—Financial summary of certain companies in the Real Silk division of the textile industry.
- 908—Questionnaire of Belding-Corticelli Co. Ltd.
- 909—Financial statements of Belding-Corticelli Co. Ltd., 1911-1935.
- 910—Questionnaire of Bruck Silk Mills Ltd.
- 911—Financial statement of Bruck Silk Mills Ltd., 1922-35.
- 912—Questionnaire of Grout's Limited.
- 913—Financial statements of Grout's Limited, 1925-1935.
- 914—Questionnaire of Valleyfield Silk Mills Ltd.
- 915—Financial statement of Valleyfield Silk Mills, 1934-35.
- 916—Summary of financial returns of silk companies reporting.
- 917—Financial summaries of primary and industrial cotton companies.
- 918A—Questionnaire of Wabasso Cotton Co. Ltd.
- 918B—Questionnaire of Shawinigan Cotton Co. Ltd.
- 918C—Questionnaire of Mercerisers Limited.
- 919—Questionnaire of St. Maurice Valley Cotton Co. Ltd.
- 920—Financial reports, Wabasso Cotton Co. Ltd., 1913-1921.
- 921—Letter from Mr. MacDougall to Mr. Berry, April 17, 1936, *re* Wabasso Cotton Co. and enclosing documents for Royal Commission.
- 922—List of employees, Wabasso Cotton Co., July 20, 1935.
- 923—List of employees, Wabasso Cotton Co., March 28, 1936.
- 924—Extract from Minutes of St. Maurice Valley Cotton Co., April 28, 1912, and March 21, 1912.
- 925—Analysis of salaries for years 1930 and 1935, Wabasso Cotton Co.
- 926—Statement of Loss on Inventory, 1932—Wabasso Cotton Co.
- 927—Registered shareholdings of Messrs. Whitehead, Pyke and Greenshields, in Wabasso Cotton Co. Ltd., 1910-1935.
- 928—Analysis of payroll, February, 1931, Wabasso Cotton Co.
- 929—Analysis of payroll, February, 1932, Wabasso Cotton Co.
- 930—Statement of dividends paid by Wabasso Cotton Co., 1907-1932.
- 931—Photographs of additions to Wabasso plant and letter from Mr. Lajoie to Mr. Beau-regard, July 28, 1936.
- 932—Senate Document 126, Cotton textile industry (President's message), table of raw cotton prices, page 65.
- 933—Questionnaire of Dominion Textile Co. Ltd. and correspondence.
- 934—Questionnaire of Sherbrooke Cotton Co. (Dominion Textile Co. Ltd. subsidiary).
- 935—Questionnaire of Drummondville Cotton Co. (Dominion Textile Co. Ltd. subsidiary).
- 936—Questionnaire of Sherbrooke Hosiery Co. (Dominion Textile Co. Ltd. subsidiary).
- 937—Questionnaire of Industrial Specialty Co. (Dominion Textile Co. Ltd. subsidiary).
- 938—Financial reports of Dominion Textile Co. Ltd., 1906-1936.
- 939—Financial reports of Sherbrooke Cotton Co. Ltd., 1930-1934.
- 940—Financial reports of Drummondville Cotton Co. Ltd., 1930-1936.
- 941—Financial reports of Industrial Specialty Mfg. Co. Ltd., 1913-1935.
- 942—Financial reports of Dominion Cotton Co. Ltd., 1921-1927.
- 943—Financial reports of Montmorency Cotton Mills Co., 1905.
- Financial reports of Colonial Bleaching & Printing Co., 1905.
- Financial reports of Dominion Cotton Mills Co. Ltd., 1905.
- Financial reports of Merchants Cotton Co. Ltd., 1905.

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- 944—Schedule of Fixed Assets of Dominion Textile Co. Ltd., 1905-1936.
- 945—Letter from Mr. G. B. Gordon to Mr. Howson, Oct. 30, 1936.
Letter from Mr. G. B. Gordon to Mr. Howson, Oct. 31, 1936, and memo *re* inventory valuation.
- 946—Memo *re* original investment in common stock of Dominion Textile Co. for which company received \$500,000.
- 947—Memo *re* Inventory Discounts, Dominion Textile Co. Ltd.
- 948—Statement of percentage of net revenue, Dominion Textile Co. Ltd.
- 949—Statement of Bond Interest dividends and wages paid by Dominion Textile Co. Ltd., 1927-1936.
- 950—Statement showing Ratio of Net Revenue from Trading to Common share Equity in Operations, 1936, Dominion Textile Co. Ltd.
- 951—Analysis of sales dollar—Dominion Textile Co. Ltd., 1936.
- 952—Questionnaire, Montreal Cottons Ltd. with correspondence attached.
- 953—Letter from Messrs. Meredith, Holden, Heward & Holden to Secretary, October 7, 1936.
Letter from Secretary to Messrs. Meredith, Holden, Heward & Holden, August 31, 1936.
Letter from Messrs. Meredith, Holden, Heward & Holden to Secretary, August 29, 1936.
Letter from Secretary to Messrs. Meredith, Holden, Heward & Holden, August 28, 1936.
Re information required of Dominion Textile Co. Ltd. and Montreal Cottons Ltd.
- 954—Statement of employees in weaving room, Montreal Cottons Ltd., 1929-1935.
- 955—Statement of Production and Wages Paid, Weave-Room, Montreal Cottons Ltd., 1929-1935.
- 956—Memo of basic wage rates by departments, Montreal Cottons Ltd., 1936.
- 957—Statement of municipal taxes, Montreal Cottons Ltd., 1935.
- 958—Statement of appraisal on buildings, Montreal Cottons, Ltd., June, 1936.
- 959—Statement of purchases by Montreal Cottons Ltd. of rayon yarn from Courtaulds (Canada) Ltd., 1930-1936.
- 960—Statement of purchases of rayon yarn by Montreal Cottons Ltd. from Courtaulds (Canada) Ltd., first 5 months of 1934, 1935 and 1936.
- 961—Copy of agreement between Dominion Textile Co. Ltd., and Montreal Cottons Ltd., September 30, 1934.
- 962—List of dividends paid on common stock, 1911 to 1936, Montreal Cottons Ltd.
- 963—Summary of employees' cottages account prior to 1929, Montreal Cottons Ltd.
- 964—Copy of manufacturing account for six months ending June 1926 and by years to 1935, Montreal Cottons Ltd.
- 965—Memorandum *re* repair account, 1929 to 1935, Montreal Cottons Ltd.
- 966—Memo *re* maintenance division of payroll, February 23, 1933, Montreal Cottons Ltd.
- 967—Statement of amounts charged to equipment account, 1931-1935, Montreal Cottons Ltd.
- 968—Letter from Penmans Ltd. to Messrs. Thorne, Mulholland, Howson & McPherson, *re* costs, October 8, 1936.
Letter from Penmans Ltd. to Messrs. Thorne, Mulholland, Howson & McPherson, October 14, 1936.
- 969—Summary of Profit & Loss of Penmans on standard and actual cost basis, 1926 to 1935 inclusive.
- 970—Questionnaire of Canadian Cottons Ltd.
- 971—Questionnaire of Cornwall & York Cotton Mills Co. Ltd.
- 972—Financial statements of Canadian Coloured Cotton Mills Co. Ltd. and of Canadian Cottons Ltd., 1892-1936.
- 973—Financial statements of Cornwall & York Cotton Mills Ltd. 1913-1936.
- 974—Analysis of Sales Dollar of Canadian Cottons Ltd. 1936.
- 975—Questionnaire of Cosmos Imperial Mills Ltd.
- 976—Questionnaire of J. Spencer Turner Ltd.
- 977—Questionnaire of Hamilton Cotton Co. Ltd.
- 978—Financial Reports of Hamilton Cotton Co. Ltd. 1928-1935.
- 979—Questionnaire of Trent Cotton Co. Ltd.
- 980—Financial Reports of Trent Cotton Co. Ltd. 1929-1935.
- 981—Financial statement of Acton Vale Silk Co. Ltd. 1933-35.
- 982—Questionnaire of Albert Godde Bedin Ltee.
- 983—Financial statements of Albert Godde Bedin Ltee, 1928-1935.
- 984—Questionnaire of British American Silk Mills Ltd.
- 985—Financial statements of British American Silk Mills Ltd. 1927-36.
- 986—Financial statements of Canadian Silk Mills Regd., 1933-36.
- 987—Questionnaire of Consolidated Silk Mills Ltd.
- 988—Questionnaire of B. Edmund David Silk Mills of Canada Ltd.
- 989—Questionnaire of Dominion Silk Mills Ltd.
- 990—Questionnaire of Riverside Silk Mills Ltd.
- 991—Financial statements of Riverside Silk Mills Ltd. 1924-35.

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- 992—Financial statements of Louis Roessel Ltd., 1931-35.
- 993—Questionnaire of Slingsby Silks Ltd.
- 994—File of correspondence between Canadian Cottons Ltd. and Department of National Revenue *re* Income Tax—Copy of letter from J. Miller to I. McCaffrey, Income Tax Department, December 14, 1921.
- Copy of letter from Mr. Bruce to J. Miller, Income Tax Experts, agents of Canadian Cottons, December 27, 1921.
- Copy of letter from Mr. Bruce to J. Miller, Income Tax Experts, Agents of Canadian Cottons, March 6, 1922.
- Copy of letter from J. Miller to Mr. Bruce, March 7, 1922.
- Copy of letter from J. Miller to Mr. Bruce, July 28, 1922.
- 995—Photostat of certificate of Form J—Business Profits War Tax Act dealing with Canadian Cottons Ltd., 1917-18.
- 996—Photostat of Form J—Canadian Cottons Ltd., 1918-19.
- 997—Statement of Income Tax paid by Canadian Cottons Ltd., 1917-1936.
- 998—Financial summary of Primary and Industrial Cotton Division.
- 999—Questionnaire of Dominion Fabrics Ltd.
- 1000—Questionnaire of Dominion Yarns Ltd.
- 1001—Financial statements of Dominion Fabrics Ltd. and Dominion Hammock Ltd., 1909-1935.
- 1002—Questionnaire of Goodyear Cotton Co. Ltd.
- 1003—Financial summary of individual woollen companies.
- 1004—Questionnaire of Brook Woollen Co. of Simcoe Ltd.
- 1005—Financial statements of Brook Woollen Co. of Simcoe Ltd., 1923-1935.
- 1006—Questionnaire of Dominion Woollens and Worsteds Ltd.
- 1007—Financial statements of Dominion Woollens and Worsteds Ltd., 1929-1935.
- 1008—Financial statements of R. Forbes Ltd., 1926-27 and 1928 summary.
- 1009—Financial statements of Canadian Woollens Ltd., 1919-28 (Standard Woollen, Auburn Woollen & Bonner Worth Woollen).
- 1010—Questionnaire of Paris Wincey Mills Ltd.
- 1011—Financial statements of Paris Wincey Mills Ltd. 1912-36.
- 1012—Questionnaire of Paton Mfg. Co. Ltd.
- 1013—Financial statements of Paton Mfg. Co. April 30, 1924-35.
- 1014—Questionnaire of Sherbrooke Land & Water Power Co. Ltd.
- 1015—Financial statements of Sherbrooke Land & Water Power Co. Ltd., 1924-36.
- 1016—Questionnaire of Patons & Baldwins Ltd.
- 1017—Financial summary of Woollen Division. —
- 1018—Questionnaire of Barrymore Cloth Co. Ltd.
- 1019—Financial statements of Barrymore Cloth Co. Ltd. 1917-1925.
- 1020—Questionnaire of Bates & Innes Ltd.
- 1021—Financial statements of Bates & Innes Ltd., 1916-1935.
- 1022—Questionnaire of Campbellford Cloth Co. Ltd.
- 1023—Financial statements of Campbellford Cloth Co. Ltd. 1923-25.
- 1024—Questionnaire of Dupont Textiles Ltd.
- 1025—Financial statements of Dupont Textiles Ltd., 1926-35.
- 1026—Financial statements of La Filature du Saguenay Ltee., 1932-35.
- 1027—Questionnaire of Glen Woollen Mills Ltd.
- 1028—Financial statements of Glen Woollen Mills Ltd., 1926-35.
- 1029—Questionnaire of Guelph Carpet & Worsted Spinning Mills Ltd.
- 1030—Financial statements of Guelph Carpet & Worsted Spinning Mills Ltd., 1929-35.
- 1031—Questionnaire of Hield Bros. Ltd.
- 1032—Questionnaire of Horn Bros. Woollen Co. Ltd.
- 1033—Financial statements of Horn Bros. Woollen Co. Ltd., 1905-35.
- 1034—Questionnaire of J. A. Humphreys & Sons Ltd.
- 1035—Financial statements of J. A. Humphreys & Sons Ltd., 1924-36.
- 1036—Questionnaire of Leach Textiles Ltd.
- 1037—Questionnaire of Maitland Spinning Mills Ltd.
- 1038—Financial statements of Maitland Spinning Mills Ltd., 1931-35.
- 1039—Questionnaire of National Textiles Ltd.
- 1040—Financial statements of National Textiles Ltd., 1931-35.
- 1041—Financial statements of Northern Textiles Ltd., 1931-35.
- 1042—Financial statements of Oxford Woollen Mills Ltd., 1934-35.
- 1043—Questionnaire of Geo. Pattinson & Co. Ltd.
- 1044—Questionnaire of Porritts & Spencer (Canada) Ltd.
- 1045—Financial statement of Porritts & Spencer (Canada) Ltd., 1921-35.
- 1046—Questionnaire of Renfrew Textiles Ltd.
- 1047—Financial statements of Renfrew Textiles Ltd., 1919-35.

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- 1048—Questionnaire of Renfrew Woollen Mills Ltd.
- 1049—Financial statements of Renfrew Woollen Mills Ltd., 1931, 1932, 1934 and 1935, and M. J. O'Brien Ltd., 1918-36.
- 1050—Questionnaire of Rosamond Woollen Co. Ltd.
- 1051—Financial statements of Rosamond Woollen Co. Ltd., 1871-1936.
- 1052—Financial statements of St. George Woollen Mills Ltd., 1931-35.
- 1053—Questionnaire of St. Johns Textile Mills Ltd.
- 1054—Financial statements of St. Johns Textile Mills Ltd., 1931-35.
- 1055—Questionnaire of Slingsby Mfg. Co. Ltd.
- 1056—Questionnaire of Tayside Textiles Ltd.
- 1057—Financial statements of Tayside Textiles Ltd., 1926-36.
- 1058—Financial statements of Thoburn Woollen Mills, 1931-35.
- 1059—Questionnaire of York Knitting Mills Ltd.
- 1060—Memorandum in regard to Dominion Woollens & Worsted Ltd., by C. I. Evans, January 11, 1936.
- 1061—Memorandum on above by Mr. Barrett, General Manager of Dominion Woollens & Worsteds Ltd., February 10, 1936.
- 1062—Copies of income tax returns, 1918, 1921, 1922, 1923—Notice of assessment, May 30, 1921
Business Profits Tax forms, 1917-1918, 1918-1919, Canadian Cottons Ltd.
- 1063—Copies of company inventory certificates of Canadian Cottons Ltd. (See evidence, p. 14878.)
- 1064—Individual companies Woollen and Paper Makers' Felts Division, financial summaries.
- 1065—Questionnaire of Ayers Limited.
- 1066—Financial statements of Ayers Limited, 1905, 1924-35.
- 1067—Questionnaire of Kenwood Mills Ltd.
- 1068—Financial statements of Kenwood Mills Ltd., 1918-35.
- 1069—Financial summaries, Woollens & Paper Makers' Felts Division.
- 1070—Individual companies, Knit Goods Division, Financial summaries.
- 1071—Questionnaire of Monarch Knitting Company Ltd.
- 1072—Financial statements of Monarch Knitting Co. Ltd., 1912 to 1935.
- 1073—Questionnaire of J. R. Moodie Co. Ltd.
- 1074—Questionnaire of Penman's Limited.
- 1075—Penmans Limited Annual Statements, 1906-35.
- 1076—Questionnaire, Regent Knitting Mills Ltd.
- 1077—Financial statements, 1928-35, Regent Knitting Mills, Ltd.
- 1078—Questionnaire, Stanfields Limited.
- 1079—Financial Statements, Stanfields Limited, 1931-35.
- 1080—Questionnaire of The C. Turnbull Co. Ltd.
- 1081—Financial Statements of the C. Turnbull Co. Ltd., 1921-25.
- 1082—Financial Summaries, Knit Goods Division.
- 1083—Financial statements, Albion Knitting Company Ltd., 1932-36.
- 1084—Financial statements, Art Knitting Mills Registered, 1931-35.
- 1085—Questionnaire of Atlantic Underwear Limited.
- 1086—Financial statements of Avon Knit Limited, 1931-35.
- 1087—Questionnaire of R. M. Ballantyne Ltd.
- 1088—Financial statements of R. M. Ballantyne Ltd., 1927-35.
- 1089—Financial statements of The Barrie Glove & Knitting Co. Ltd., 1931-36.
- 1090—Financial statements of Joseph Beaumont, 1931-35.
- 1091—Questionnaire of Beaunit Mills Ltd.
- 1092—Financial statements, Beaunit Mills Ltd., 1927-35.
- 1093—Financial statements of Brampton Knitting Mills, 1932-36.
- 1094—Financial statements of British Knit Wear Ltd., 1931-35.
- 1095—Financial statements of A. Burritt & Co. Ltd., 1931-35.
- 1096—Financial statements of The Canadian Knitting, 1931-35.
- 1097—Questionnaire of Canadian-United States Knitting Co.
- 1098—Financial statements of Canadian-United States Knitting Co. Ltd., 1923-25.
- 1099—Questionnaire and Financial statements of The Code Felt & Knitting Co. Ltd., 1920-35.
- 1100—Financial statements of Henry Davis & Co. Ltd., 1932-35.
- 1101—Financial statements of Day-Smith Limited, 1931-35.
- 1102—Questionnaire of Dods Knitting Co. Ltd.
- 1103—Financial statements of Dods Knitting Co. Ltd., 1919-35.
- 1104—Financial statements of Dominion Knitting Mills Ltd., 1931-35.
- 1105—Questionnaire of The Eaton Knitting Co. Ltd.
- 1106—Financial statement of The Fainer Knitting Mills Ltd., 1931-35.
- 1107—Questionnaire of The Galt Knitting Co. Ltd.
- 1108—Questionnaire of Grover Knitting Mills Ltd.
- 1109—Financial statements of Grover Knitting Mills Ltd., 1931-36.

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- 1110—Financial statements of George E. Hanson, 1932-36.
- 1111—Financial statements of Harris Knitting Mills Ltd., 1931-35.
- 1112—Financial statements of L. O. Hudson Co. Ltd., 1931-35.
- 1113—Financial statements of Jersey's Limited, 1931-35.
- 1114—Questionnaire of Knitters Ltd.
- 1115—Financial statements of Knitters Ltd., 1921-35.
- 1116—Financial statements, S. Lennard & Sons Ltd., 1932-36.
- 1117—Financial statements of Mason Knitting Co., 1931-35.
- 1118—Questionnaire of Mercury Mills Ltd.
- 1119—Financial statements of Mercury Mills Ltd., 1922-25.
- 1120—Questionnaire of Newlands & Co. Ltd.
- 1121—Financial statements of Newlands & Co. Ltd., 1922-35.
- 1122—Questionnaire of Nova Scotia Textiles Limited.
- 1123—Financial statements of Nova Scotia Textiles Ltd., 1922-25.
- 1124—Questionnaire, Ontario Silknit Limited.
- 1125—Financial statements of Ontario Silknit Ltd., 1928-35.
- 1126—Questionnaire of Summit Dyeing Co. Ltd.
- 1127—Financial statements of Summit Dyeing Co. Ltd., 1926-35.
- 1128—Financial statement of Cosmos Underwear Co. Ltd., 1935.
- 1129—Financial statements of Passmore Novelty Knitting Co., 1931-35.
- 1130—Financial statements of Royal Knitting Co., 1931-35.
- 1131—Questionnaire of The Schofield Woollen Co. Ltd.
- 1132—Financial statements of The Schofield Woollen Co. Ltd., 1916-35.
- 1133—Questionnaire of Joseph Simpson Sons Limited.
- 1134—Financial statements of Joseph Simpson Sons Ltd., 1925 to 1930 and 1933 to 1935.
Also balance sheet, January 2, 1911.
- 1135—Questionnaire of Star Knitting Company Limited.
- 1136—Financial statements of Star Knitting Co. Ltd., 1925-35.
- 1137—Financial statements of Superior Silk Mills Ltd., 1931-35.
- 1138—Financial statement of Tease Knitting Co. Ltd., 1932-36.
- 1139—Financial statements of Warren Bros. Limited, 1932-1936.
- 1140—Financial statements of The Williams-Trow Knitting Co. Limited, 1932-36.
- 1141—Questionnaire of the Zimmerknit Company Limited.
- 1142—Financial statements of the Zimmerknit Co. Ltd., 1927-1930.
- 1143—Questionnaire of the Harvey Knitting Co. Limited.
- 1144—Financial statements of the Harvey Knitting Co. Ltd., 1926 to 1930.
- 1145—Questionnaire of Woods Underwear Co. Ltd.
- 1146—Chart showing high and low prices of spot raw cotton, 1911-1936.
- 1147—Financial summaries, individual companies, Hosiery Division.
- 1148—Questionnaire, Canadian Silk Products Corporation.
- 1149—Questionnaire, Gotham Hosiery Company of Canada Ltd.
- 1150—Questionnaire, Julius Kayser & Company Limited.
- 1151—Questionnaire, Supersilk Hosiery Mills Limited.
- 1152—Financial statements, Supersilk Hosiery Mills Ltd., 1926-35.
- 1153—Questionnaire, Weldrest Hosiery Limited.
- 1154—Financial statements, Weldrest Hosiery Limited, 1926-35.
- 1155—Financial summaries, Hosiery Division.
- 1156—Questionnaire, The Allen-A Co. of Canada Limited.
- 1157—Financial statements of Arcona Woollen & Knitting Mills, 1931 to 1935.
- 1158—Financial statements of Henri Napoleon Biron, 1931-35.
- 1159—Financial statements of The Celtic Knitting Co. Ltd., 1931 to 1935.
- 1160—Questionnaire of The Circle Bar Knitting Co. Limited.
- 1161—Questionnaire of The Clinton Knitting Co. Limited.
- 1162—Financial statements of The Clinton Knitting Co. Ltd., 1924 to 1936.
- 1163—Financial statements of The Comfort Hosiery Limited, 1932 to 1936.
- 1164—Financial statements of J. G. Field & Son, 1931 to 1935.
- 1165—Financial statements of Fred R. Folsom & Company, 1931 to 1935.
- 1166—Questionnaire of Herbert Hosiery Mills of Canada Ltd.
- 1167—Questionnaire of Holeproof Hosiery Co. of Canada Ltd.
- 1168—Questionnaire of Hosiers Limited.
- 1169—Financial statements of Hosiers Limited, 1927 to 1930.
- 1170—Financial statements, 1931 to 1935 of Zimmerknit Company Limited, and its wholly owned subsidiaries Harvey Knitting Co. and Hosiers Limited.
- 1171—Questionnaire of London Hosiery Mills Limited.
- 1172—Financial statements of London Hosiery Mills Ltd., 1917 to 1936.
- 1173—Financial statements of Massey Knitting Co. Limited, 1931 to 1935.
- 1174—Questionnaire, National Hosiery Mills Limited.

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- 1175—Questionnaire of Real Silk Hosiery Mills of Canada, Limited.
- 1176—Questionnaire of Nordic Hosiery Limited.
- 1177—Financial statements of Nordic Hosiery Limited, 1931-35.
- 1178—Financial statements of Prospect Knitting Company, 1931-1935.
- 1179—Questionnaire of Royal Knitting Company Limited.
- 1180—Financial statements of Royal Knitting Company Ltd., 1928 to 1935.
- 1181—Questionnaire of St. John's Silk Company Ltd.
- 1182—Financial statements of St. John's Silk Co. Ltd., 1928-1935.
- 1183—Questionnaire of Toronto Hosiery Company Limited.
- 1184—Financial summaries of individual companies—Carpet Division.
- 1185—Questionnaire of Brinton-Peterborough Carpet Co.
- 1186—Financial reports of Brinton-Peterborough Carpet Co., 1911-15, 1917-36.
- 1187—Questionnaire of Harding Carpets Ltd.
- 1188—Financial statements of Harding Carpets Ltd., 1928-35.
- 1189—Questionnaire of Toronto Carpet Manufacturing Co. Ltd.
- 1190—Financial statements of Toronto Carpet Manufacturing Co. Ltd., 1917-35.
- 1191—Financial summary, Carpet Division.
- 1192—File of correspondence relating to Carpet Manufacturers' Association under letter from President, Harding Carpets Ltd., November 19, 1936, addressed to Mr. J. C. McRuer, K.C.
- 1193—Statement of operating results and mill wages—Cotton and real silk, 1926-35.
- 1194—Statement of operating results and mill wages—Artificial silk and woollen and paper makers' felt, 1926-35.
- 1195—Statement of operating results and mill wages—Knit goods and hosiery, 1926-35.
- 1196—Statement of operating results and mill wages—Carpet Division, 1926-35.
- 1197—Statement and samples of Japanese rayons imported by A. B. Fisher Co.
- 1198—Copy of *Textile Weekly*, July 24, 1936,
Extract from London *Daily Mail*, November 6, 1936, *re* yarn price fixing, England.
- 1199—Questionnaire of Canadian Celanese Ltd.
- 1200—Financial statements of Canadian Celanese Ltd., 1926-35.
- 1201—Summary of operations of Canadian Celanese Ltd.
- 1202—Financial summaries of Thread Division.
- 1203—Questionnaire of Bell Thread Co. Ltd.
- 1204—Financial statements of Bell Thread Co. Ltd., 1929-35.
- 1205—Questionnaire of Canadian Spool Cotton Co. Ltd.
- 1206—Financial statements of Canadian Spool Cotton Co. Ltd., 1929-35.
- 1207—Questionnaire of Cotton Threads Ltd.
- 1208—Financial statements of Cotton Threads Ltd., 1911-35.
- 1209—Report of Mr. C. V. Fessenden on working conditions in Canadian and United States textile mills.
- 1210—Details of report of Mr. C. V. Fessenden.
- 1211—Data relating to grey mills of Dominion Textile Co. Ltd.
- 1212—Summary of productive capacity—textile industries, 1926-36.
- 1213—Summary of Canadian exports by textile industries, 1926-35.
- 1214—Statement of number of employees, amount of wages and ratios to sales, cotton companies.
- 1215—Statement of number of employees, amount of wages and ratios to sales, silk group.
- 1216—Statement of number of employees, amount of wages and ratios to sales, hosiery group.
- 1217—Statement of number of employees, amount of wages and ratios to sales, knit goods.
- 1218—Statement of number of employees, amount of wages and ratios to sales, woollen group.
- 1219—Statement of number of employees, amount of wages and ratios to sales, woollen and paper makers' felts.
- 1220—Statement of number of employees, amount of wages and ratios to sales, carpet division.
- 1221—Statement of number of employees, amount of wages and ratios to sales, thread division.
- 1222—Ratio of final net profit before and after income taxes to capital employed exclusive of outside investment and ratio including value of trade marks, patents and goodwill—all textile divisions, 1926-35.
- 1223—Ratio of net profits after bond interest to sales for all textile divisions, 1926-36.
- 1224—Analysis of sales dollar for 1935—cotton division.
- 1225—Analysis of sales dollar for 1935—real silk division.
- 1226—Study of Joint Committee of Cotton Trade Organization in England, September 9, 1936—"Restrictions on Japanese Cotton Piece Goods Trade."
- 1227—Letter from A. C. Williams to G. Blair Gordon dated February 20, 1933, also letter from G. Blair Gordon to A. C. Williams dated February 23, 1933, *re* cotton crepes imported from Japan.
- 1228—Summary of inventory adjustment of Canadian Cottons Ltd., 1916-36.
- 1229—Letter from A. W. Bruneau, K.C., to Elie Beauregard, K.C., dated October 29, 1936, with statement attached showing actual wages paid and those that would be paid on the basis of 1000 picks.

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- 1230—Statement of the distribution of the sales dollar for Dominion Textile Co. Ltd. for 1927-36.
- 1231—Statement showing wages, return on invested capital and comparison of earnings and dividends paid for the five-year periods, 1927-31 and 1932-36 inclusive for Dominion Textile Co. Ltd.
- 1232—Statement *re* Invested Capital and earnings, 1905-36, Dominion Textile Co. Ltd.
- 1233—Statement of the Primary Textiles Institute, dated 25th November, 1935, *re* production and consumption of cotton goods and artificial silk goods in Canada.
- 1234—Statements and correspondence from Canadian Cottons Ltd.
- 1235—Files of correspondence of Woods Underwear Co., Ltd., 18 files.
- 1236—Files of correspondence of Monarch Knitting Co., Ltd., 5 files.
- 1237—Files of correspondence of Maitland Spinning Mills Ltd.—4 files.
- 1238—Files of correspondence of J. R. Moodie Co. Ltd., 9 files.
- 1239—Files of correspondence of Newlands & Co. Ltd., 8 files.
- 1240—Files of correspondence of Guelph Carpets and Worsted Spinning Mills Ltd., 11 files.
- 1241—Files of correspondence of Toronto Carpet Co. Ltd., 5 files. (Including Barrymore Cloth Co. Ltd.)
- 1242—Files of correspondence of Dupont Textiles Ltd., 4 files.
- 1243—Files of correspondence of Dominion Woollens & Worsteds Ltd., 40 files.
- 1244—Files of correspondence, miscellaneous briefs and correspondence relating thereto obtained from files of Primary Textiles Institute, 1 file.
- 1245—Minutes of the Executive Committee of the Cotton Institute of Canada.
- 1246—Report of Tariff Board in Ref. 38, Artificial Silk Yarns, April 27, 1936.
- 1247—Cotton Division—Distribution of male mill employees according to hourly earnings, February, 1936.
- 1248—Cotton Division—Distribution of female mill employees according to hourly earnings, February, 1936.
- 1249—Cotton Division—Distribution of male mill employees according to earnings in pay period—One-week payrolls February, 1936.
- 1250—Cotton Division—Distribution of male mill employees according to earnings in pay period—Two-week payrolls February, 1936.
- 1251—Cotton Division—Distribution of female mill employees according to earnings in pay period—One-week payrolls February, 1936.
- 1252—Cotton Division—Distribution of female mill employees according to earnings in pay period—Two-week payrolls February, 1936.
- 1253—Silk Division—Distribution of male mill employees by hourly earnings, February 1936.
- 1254—Silk Division—Distribution of female mill employees by hourly earnings, February, 1936.
- 1255—Silk Division—Distribution of male mill employees according to earnings in pay period—One-week payrolls February, 1936.
- 1256—Silk Division—Distribution of female mill employees according to earnings in pay period—One-week payrolls February, 1936.
- 1257—Silk Division—Distribution of male mill employees according to earnings in pay period—Two-week payrolls February, 1936.
- 1258—Silk Division—Distribution of female mill employees according to earnings in pay period—Two-week payrolls February, 1936.
- 1259—Summary of Operating Results and Mill Wages—Cotton division, by five-year periods, 1926-30 and 1931-35.
- 1260—Summary of Operating Results and Mill Wages—Real Silk division, by five-year periods, 1926-30 and 1931-35.
- 1261—Summary of Operating Results and Mill Wages—Artificial Silk division, by five-year periods, 1926-30 and 1931-35.
- 1262—Summary of Operating Results and Mill Wages—Woollens & Paper Makers' Felts, by five-year periods, 1926-30 and 1931-35.
- 1263—Summary of Operating Results and Mill Wages—Knit Goods division, by five-year periods, 1926-30 and 1931-35.
- 1264—Summary of Operating Results and Mill Wages—Hosiery division, by five-year periods—1926-30 and 1931-35.
- 1265—Summary of Operating Results and Mill Wages—Carpet division, by five-year periods, 1926-30 and 1931-35.
- 1266—Summary of Employees, Salaries and Wages, Cotton division, 1930-1935.
- 1267—Summary of Employees, Salaries and Wages, Real Silk division, 1930-1935.
- 1268—Summary of Employees, Salaries and Wages, Artificial Silk division, 1930-1935.
- 1269—Summary of Employees, Salaries and Wages, Woollen division, 1930-1935.
- 1270—Summary of Employees, Salaries and Wages, Woollen and Paper Makers' Felts, 1930-1935.
- 1271—Summary of Employees, Salaries and Wages, Knit Goods division, 1930-1935.

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- 1272—Summary of Employees, Salaries and Wages, Hosiery division, 1930-1935.
- 1273—Summary of Employees, Salaries and Wages, Carpet division, 1930-1935.
- 1274—Summary of Employees, Salaries and Wages, Thread division, 1930-1935.
- 1275—Distribution of Sales Dollar by Divisions, 1926-1935.
- 1276—Executive and management salaries—Cotton division, 1926-1936.
- 1277—Executive and management salaries—Broad Silk division, 1926-1936.
- 1278—Executive and management salaries—Artificial Silk division, 1926-1935.
- 1279—Executive and management salaries—Woollen division, 1926-1936.
- 1280—Executive and management salaries—Woollen and Paper Makers' Felts, 1926-1935.
- 1281—Executive and management salaries—Knit Goods division, 1926-1935.
- 1282—Executive and management salaries—Hosiery division, 1926-1935.
- 1283—Executive and management salaries—Carpet division, 1926-1935.
- 1284—Executive and management salaries—Thread division, 1926-1935.
- 1285—Comparative statement showing distribution of employees in cotton mills according to hourly earnings, U.S.A. and Canada.
- 1286—Comparative statement showing distribution of employees in silk and rayon industry according to hourly earnings in U.S.A. and Canada.
- 1287—Statement showing average weekly earnings of wage-earners by leading industries, Canada, 1934.
- 1288—Statement showing average weekly earnings of wage earners by leading industries, Quebec, 1934.
- 1289—Statement showing average weekly earnings of wage earners by leading industries, Ontario, 1934.
- 1290—Japan Silk Year Book, 1935-36.
- 1291—Reports of Federal Trade Commission, Textile Industries, Cotton Textile Industries, Part I, 1933-34, Part I, first and second half of 1935.
- 1292—Average hourly earnings, Woollen and Paper Makers' Felts, 1926, 1930, 1934 and 1936.
- 1293—Average earnings in pay period, Woollen & Woollen and Paper Makers' Felts, 1926 1930, 1934 and 1936.
- 1294—Average hourly earnings, Knit Goods Division, 1926, 1930, 1934 and 1936.
- 1295—Average earnings in pay period, Knit Goods Division, 1926, 1930, 1934 and 1936.
- 1296—Average hourly earnings—Hosiery Division, 1926, 1930, 1934 and 1936.
- 1297—Average earnings in pay period—Hosiery Division, 1926, 1930, 1934 and 1936.
- 1298—Average hourly earnings and average earnings in pay period—Carpet Division, 1926, 1930, 1934 and 1936.
- 1299—Average hourly earnings and average earnings in pay period—Thread Division, 1926, 1930, 1934 and 1936.
- 1300—Comparative distribution of employees according to hourly earnings in textile industries, 1936.
- 1301—Average hourly earnings in Cotton Goods Manufacturing, Ontario and Quebec, 1926-1936.
- 1302—Average hourly earnings in Cottons Goods Manufacturing, United States, 1926-1934.
- 1303—Copy of *Rayon Organon*, January, 1937, Imports of Rayon Goods, 1934-1936.
- 1304—Chart showing trend in prices Raw Silk Market, 1931-36.
- 1305—Extension of Exhibit 820, No. 10's, single cotton yarn, U.S.A. and Canada.
- 1306—Extension of Exhibit 821, mill spread of No. 10's single cotton yarn, U.S.A. and Canada.
- 1307—Extension of Exhibit 822, 30's twisted cotton yarns, U.S.A. and Canada.
- 1308—Extension of Exhibit 823, mill spread of No. 30's twisted cotton yarns, Canada and U.S.A.
- 1309—Extension of Exhibit 824, 30's cotton warp yarn, U.S.A. and Canada.
- 1310—Mill spreads on 30's cotton warp yarn, Canada and United States, 1926 to 1936.
- 1311—Extension of Exhibit 825, 30's single hosiery yarns, U.S.A. and Canada.
- 1312—Extension of Exhibit 826, mill spread of 30's single hosiery yarns, U.S.A. and Canada.
- 1313—Extension of Exhibit 829, sheeting 40", U.S.A. and Canada.
- 1314—Extension of Exhibit 830, mill spreads of sheeting 40", Canada and U.S.A.
- 1315—Extension of Exhibit 832, sheeting 36", U.S.A. and Canada.
- 1316—Extension of Exhibit 833, mill spreads of sheeting 36", Canada and U.S.A.
- 1317—Extension of Exhibit 831, cotton print cloth, 44", U.S.A.
- 1318—Mill spreads on Exhibits 831 and 1317, 44" cotton print cloth, U.S.A.
- 1319—Statement of 1936 selling prices, United States, raw cotton, cotton yarn and cotton grey goods.
- 1320—Statement of fair market value in United Kingdom of 22½-oz. blue serge and Canadian duties applicable, July 10, 1933, together with sample and also Paton Mfg. cloth, No. 4556.
- 1321—Silk Division, average hourly earnings, 1926-1936, Ontario and Quebec.
- 1322—Silk Division—Average earnings in pay period, 1926-1936, Ontario and Quebec.
- 1323—Cotton Division—Average earnings in pay period, 1926-1936, Ontario and Quebec.

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- 1324—Statement of Canada's imports of textile products with percentage of duties collected thereon, 1929-1936.
- 1325—Copy of recommendation of the Minister of National Revenue to the Governor in Council, May 24, 1932, and P.C. 1294 (*re* jersey cloth and cotton stockinette).
- 1326—Fire insurance appraisal of Dominion Textile Co., 1936.
- 1327—Dominion Textile Co. Ltd. Rules and Regulations as to Pension Fund, September 1, 1923.
- 1328—Submission of Mr. N. McL. Rogers to the Royal Commission Provincial Economic Inquiry, N.S.
- 1329—Report with appendices, Royal Commission Economic Inquiry, N.S.
- 1330—Change in wage rates, Wabasso Cotton Co. Ltd., excerpt from a letter of Mr. W. J. Whitehead, October 27, 1936.
- 1331—Manual of the Textile Industry in Canada, 1936.
- 1332—Correspondence between the National Catholic Federation and Mr. G. B. Gordon, Dominion Textile Co. Ltd., *re* collective agreement, January, 1937.
- 1333—Statement of insurance scheme at Wabasso Cotton Co. Ltd.
- 1334—Statement of prices of yarns, Courtaulds (Canada) Ltd., 1925-1936.
- 1335—Statement showing distribution of gainfully employed by age and sex in textile industries, Canada, 1931.
- 1336—Statement showing average earnings in pay period and average hours worked in all textile divisions, February, 1936.
- 1337—Statement showing real hourly earnings, Wool and Paper Makers' Felts, Knit Goods, Hosiery and Carpet Divisions, 1926-1936.
- 1338—Comparison of wage rates by occupations together with chart, Cotton Division, 1926-1936.
- 1339—Extract from New York *Daily News Record*, February 19, 1937, *re* U.S.-Japanese cotton agreement.
- 1340—Statement showing number of mills commencing and ceasing operations, by years, 1923-1936.
- 1341—Letter from Canadian Importers and Traders Association, February 17, 1937, with by-laws.
- 1342—Statement showing average Canadian rates of duty on textile imports, 1929-1936.
- 1343—Statement showing duties collected on textile imports, 1907 to 1936.
- 1344—Statement of cotton duties under British Preference from 1897 to 1936.
- 1345—Copy of trade agreement between Canada and Great Britain, February 26, 1937.
- 1346—Copy of Budget Speech of Hon. Mr. Dunning, February, 1937.
- 1347—Statement showing value of Canadian imports of artificial silk fabrics, 1928-1936.
- 1348—Statement showing value and weights of Canadian imports of artificial silk fabrics, 1932-1936, and January, 1937.
- 1349—Statement showing value of Canadian yarns, 1926-1936.
- 1350—Chart showing fluctuations in prices of Canadian selling prices in Exhibit 857 around duty-paid United Kingdom values.
- 1351—Statement showing dutiable and free textile imports from United Kingdom 1929-1936.
- 1352—Statement showing gross and net value of production in Canada, 1933.
- 1353—Statement showing proclaimed value of yen for 1938.
- 1354—Statement showing imports into Canada of textile products, 1929-30 and 1934-35.
- 1355—Statement showing imports into Canada of textile products from United Kingdom, 1929-30 and 1934-35.
- 1356—Statement showing earnings of Dominion Textile Co. Ltd., including bonds, 1906-1936.
- 1357—Statement showing earnings of Dominion Textile Co. Ltd., before and after bond interest, 1906-1936.
- 1358—File of correspondence *re* cost of equipping a cotton textile factory in U.S.A.
- 1359—Ratio of net profits to investment, Dominion Textile Co. Ltd., 1927-1936.
- 1360—Three charts showing U.S. duties and Canadian British Preferential duties on cotton goods.
- 1361—Charts and memorandum *re* unit costs and profits of Dominion Textile Co. Ltd., 1912-1936.
- 1362—Extract from Frasers' Directory *re* products of Dominion Textile Co. Ltd.
- 1363—Three statements *re* Dominion Textile Co. Ltd., revenue and labour payment, 1927-1936.
- 1364—Reports of Dominion Textile on temperature and humidity in all mills for certain fortnights, 1936 and 1937.
- 1365—Statement showing distribution of employees of Dominion Textile Co. Ltd., according to hourly earnings, September, 1936.
- 1366—Copy of notice *re*: "Comité du Moulin," Montmorency Branch, Dominion Textile Co. Ltd.
- 1367—Statement showing classification of employees of Dominion Textile Co. Ltd. by age groups and hourly earnings, January, 1937.

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- 1368—Statement showing classification of employees of Dominion Textile Co. Ltd. by hourly earnings, January, 1937, together with statement showing average wages December, 1936, to January, 1937.
- 1369—Four statements summarising Exhibit 1365, 1367 and 1368, together with statement showing employees by age groups in Dominion Textile Co. Ltd., Montreal Cottons Ltd., and Wabasso Cotton Co. Ltd.
- 1370—Statements *re* charges to repairs and capital accounts of Montreal Cottons Ltd., 1931-1936.
- 1371—Statement *re* fluctuations in building construction and machinery costs and appraisal of Dominion Textile Co. Ltd., properties.
- 1372—Statement *re* charges for depreciation by Dominion Textile Co. Ltd., 1906-1936.
- 1373—Statement of deliveries of artificial silk fabrics by Canadian mills, 1934-1937.
- 1374—Memorandum on bound items in United Kingdom-Canada agreement, 1937.
- 1375—Memorandum showing tariff rates on textile products as of March, 1937.
- 1376—Statement showing imports from Japan of artificial silk fabrics, 1936, and January, 1937.
- 1377—Statement showing imports from Japan of cotton fabrics, 1936, and January, 1937.
- 1378—Copy of *National Revenue Review*, March, 1937.
- 1379—Tables showing Trade of Canada and dutiable and free imports, 1926-1936.
- 1380—Copy of paper on Japanese pulp by Mr. T. J. Monty, Assistant Trade Commissioner, Tokyo, Japan.

APPENDIX C

HISTORY OF TARIFF RATES ON CERTAIN TEXTILE ITEMS

COTTONS

EXHIBIT No. 803

CUSTOMS DUTIES SET FORTH IN SCHEDULE "A" OF THE CUSTOMS TARIFF ACT AS OF 26TH FEBRUARY, 1937

Tariff Item No.	Short Title of Goods Enumerated	Customs Duties		
		British Preferential Tariff	Intermediate Tariff	General Tariff
520	Raw Cotton, and linters.....	Free	Free	Free
522	Yarns, singles, general..... and, per pound.....	12½%	15 % 3½c.	22½% 4 c.
522c	Yarns, ply, general..... and, per pound.....	15 %	22½% 3½c.	25 % 4 c.
793	Yarns, 80's and finer, two-ply gassed, for cotton weavers.....	Free	10 %	15 %
522f	Yarns, 40's and finer, singles or ply, for manufacturers of mercerized cotton yarns.....	Free	15 %	15 %
522d	Yarns, mercerized, 40's and finer.....	Free	25 %	25 %
522a	Yarns, singles, for knitters.....	12½%	15 %	22½%
522b	Yarns, in skeins, 21's to 39's, singles, for sewing thread makers.....	7½%	15 %	20 %
522e	Yarns, singles or ply, in hanks, any count, for manufacturers of sewing thread.....	7½%	15%	20 %
797	Yarns, 40's and finer, singles for manufacturers of sewing thread.....	Free	10 %	15 %
523	Fabrics, woven, unbleached and uncoloured..... and, per pound.....	15 %	20 % 3½c.	25 % 4 c.
523a	Fabrics, woven, bleached or mercerized..... and, per pound.....	20 %	22½% 3½c.	27½% 4 c.
523b	Fabrics, woven, coloured and, per pound.....	20 %	27½% 3½c.	32½% 4 c.

COTTONS—Concluded

CUSTOMS DUTIES SET FORTH IN SCHEDULE "A" OF THE CUSTOMS TARIFF ACT AS OF 26TH FEBRUARY, 1937—
Concluded

Tariff Item No.	Short Title of Goods Enumerated	Customs Duties		
		British Preferential Tariff	Intermediate Tariff	General Tariff
523c	Fabrics, woven, of fine counts say with yarns of 100's or finer..... and, per pound.....	Free	27½% 3½c.	32½% 4 c.
553	Blankets, of any material, not to include automobile rugs, steamer rugs, or similar articles.. and, per pound.....	20 % 5 c.	30 % 25 c.	35 % 30 c.
561	Fabrics, woven, cotton and artificial silk yarns woven in the same fabric..... and, per pound..... Under the Canada-France Trade Agreement, Intermediate less 10% of the <i>ad valorem</i> duty.	30 %	40 % 40 c.	45 % 40 c.
523d	Cotton billiard cloth..... and, per pound.....	Free	27½% 3½c.	32½% 4 c.
523e	Cotton velveteens and corduroys..... and, per pound.....	15 %	27½% 3½c.	32½% 4 c.
523f	Cotton fabrics for manufacturers of typewriter ribbons.....	Free	12½%	15 %
523g	Special woven fabrics for card clothing.....	Free	Free	Free
523h	Sail Cloth of Egyptian cotton when used for sails..... and, per pound.....	Free	20 % 3½c.	25 % 4 c.
523i	Cotton plush or velvet for use as filter cloth in mining operations..... and, per pound.....	10 %	30 % 3½c.	35 % 4 c.
524	Cotton fire hose.....	Free	10 %	10 %
542	Cotton and jute fabrics..... Under the Canada-France Trade Agreement, Intermediate less 10% of the <i>ad valorem</i> duty.	20%	27½%	30 %

NOTE.—Beginning in 1923 a discount of 10 p.c. has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 p.c.

Special excise tax of 3 p.c. is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 p.c. Excise tax applied on British imports until March, 1935, but at the rate of 1½ p.c. from April, 1934 until removed.

SUMMARY OF TARIFF RATES ON COTTON YARNS

SINGLES YARNS

	British Preferential Tariff	Intermediate Tariff	General Tariff
Yarns coarser than 40's—			
1907.....	17½%	22½%	25 %
1922.....	15 %	22½%	25 %
Yarns 40's or finer—			
1907.....	Free	Free	Free
17th February, 1928—			
Item 522—			
20 hanks or less per pound.....	10 %	15 %	20%
Item 522a—			
21 to 40 hanks per pound.....	12½%	15 %	22½%
Item 522b—			
41 hanks or more per pound.....	Free	10 %	15 %

On September 17, 1930, the above three classes were grouped together in Item 522 and made dutiable at:—

	British Preferential Tariff	Intermediate Tariff	General Tariff
and, per pound.....	12½% 3 c.	15 % 3½c.	22½% 4 c.
13th October, 1932	12½% 2 c.	15 % 3½c.	22½% 4 c.
and, per pound.....			
2nd May, 1936.....	12½%	15 %	22½%
and, per pound.....		3½c.	4 c.

There is, however, exception in the case of single yarns imported by manufacturers of knitted goods. The rates under Tariff Item 522a from September, 1930 to date are:—

	British Preferential Tariff	Intermediate Tariff	General Tariff
.....	12½%	15 %	22½%

NOTE.—Beginning in 1923 a discount of 10 p.c. has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 p.c.

Special excise tax of 3 p.c. is levied on duty paid value of all imports from foreign countries. From 1931 to 1932, tax was at the rate of 1 p.c. Excise tax applied on British imports until March, 1935 but at the rate of 1½ p.c. from April, 1934 until removed.

EXHIBIT No. 804—*Conc.*

PLY YARNS

	British Preferential Tariff	Intermediate Tariff	General Tariff
Yarns coarser than 40's—			
1907.....	17½%	22½%	25 %
1922.....	15 %	22½%	25 %
Yarns 40's or finer—			
1907.....	Free	Free	Free
17th Feb. 1928: Tariff Item No. 522c.....	15 %	22½%	25 %
17th Sept. 1930: Tariff Item No. 522c.....	15 %	22½%	25 %
and, per pound.....	3 c.	3½c.	4 c.
13th Oct. 1932: Tariff Item 522c.....	15 %	22½%	25 %
and, per pound.....	2 c.	3½c.	4 c.
2nd May, 1936: Tariff Item 522c.....	15 %	22½%	25 %
and, per pound.....		3½c.	4 c.

MERCERIZED YARNS

	British Preferential Tariff	Intermediate Tariff	General Tariff
1907			
40's or finer, single or ply.....	Free	Free	Free
17th Feb. 1928:			
Tariff Item No. 522d 40's or finer, single or ply.....	Free	Free	Free
(restricted to manufacturers).			
13th Oct. 1932 to date: Tariff Item No. 522d.....	Free	25 %	25 %

NOTE:—Beginning in 1923 a discount of 10 p.c. has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 p.c.

Special excise tax of 3 p.c. is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 p.c. Excise tax applied on British imports until March, 1935 but at the rate of 1½ p.c. from April, 1934 until removed.

SUMMARY OF TARIFF RATES ON COTTON FABRICS
COTTON FABRICS IN THE GREY

	British Preferential Tariff	Intermediate Tariff	General Tariff
1907.....	15 %	22½%	25 %
1922: Item No. 521.....	12½%	22½%	25 %
17th Feb. 1928: Item No. 523.....	12½%	20 %	22½%
17th Sept. 1930: Item No. 523.....	17½%	20 %	25 %
and, per pound.....	3 c.	3½c.	4 c.
13th Oct. 1932: Item No. 523.....	17½%	20 %	25 %
and, per pound.....	2 c.	3½c.	4 c.
2nd May, 1936: Item No. 523.....	15 %	20 %	25 %
and, per pound.....		3½c.	4 c.

COTTON FABRICS BLEACHED

1907.....	17½%	22½%	25 %
1922: Item No. 522.....	15 %	22½%	25 %
17th Feb., 1928: Item No. 523a.....	15 %	22½%	25 %
17th Sept., 1930: Item No. 523a.....	20 %	22½%	27½%
and, per pound.....	3 c.	3½c.	4 c.
13th Oct., 1932: Item No. 523a.....	20 %	22½%	27½%
and, per pound.....	2 c.	3½c.	4 c.
2nd May, 1936: Item No. 523 a.....	20 %	22½%	27½%
and, per pound.....		3½c.	4 c.

COTTON FABRICS COLOURED

1907.....	25 %	30 %	32½%
1922: Item No. 523.....	22½%	30 %	32½%
17th Feb., 1928: Item No. 523b.....	20 %	25 %	27½%
Item No. 523c.....			
Woven fabrics, grey, of cotton, manufactured from yarns of more than one colour....	20 %	25 %	30 %
17th Sept., 1930: Item No., 523b.....	22½%	27½%	32½%
and, per pound.....	3 c.	3½c.	4 c.
13th Oct., 1932: Item No. 523b.....	22½%	27½%	32½%
and, per pound.....	2 c.	3½c.	4 c.
2nd May, 1936: Item No. 523b.....	22½%	27½%	32½%
and, per pound.....		3½c.	4 c.
26th Feb., 1937: Item No. 523b.....	20 %	27½%	32½%
and, per pound.....		3½c.	4 c.
13th October, 1932: Item No. 523c—Provided for finer quality cotton fabrics, grey, bleached or coloured, at the following rates.....	Free	27½%	32½%
and, per pound.....		5½c.	4 c.

NOTE:—Beginning in 1923 a discount of 10 p.c. has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 p.c.

Special excise tax of 3 p.c. is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 p.c. Excise tax applied on British imports until March, 1935 but at the rate of 1½ p.c. from April, 1934 until removed.

EXHIBIT No. 805—*Conc.*

Cotton ducks and heavy canvasses suitable for awnings, etc., as well as tire fabrics, not coloured, weighing over 8 oz. per square yard, were treated as follows:—

	British Pref. Tariff	Intermediate Tariff	General Tariff
1907.....	15%	17½%	30%

Above rates held good until 1928, since which date these cotton ducks have been treated as ordinary cotton fabrics at the rates mentioned in the preceding table.

COTTON BLANKETS

Made up articles were treated as follows:

	British Pref. Tariff	Intermediate Tariff	General Tariff
1907.....	25 %	30 %	35 %
1922.....	22½%	30 %	35 %
17th Feb., 1928: Item No. 526.....	15 %	22½%	27½%
17th Sept., 1930: Item No. 553.....	22½%	30 %	35 %
and, per pound.....	20 c.	25 c.	30 c.
1932: Item No. 553.....	22½%	30 %	35 %
and, per pound.....	10 c.	25 c.	30 c.
26th Feb., 1937: Item No. 553.....	20 %	30 %	35 %
and, per pound.....	5 c.	25 c.	30 c.

The foregoing gives the rates for the bulk of the cotton yarns and fabrics manufactured by the primary cotton manufactures.

NOTE.—Beginning in 1923 a discount of 10 p.c. has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 p.c.

Special excise tax of 3 p.c. is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 p.c. Excise tax applied on British imports until March, 1935 but at the rate of 1½ p.c. from April, 1934 until removed.

ARTIFICIAL SILK

CUSTOMS DUTIES SET FORTH IN SCHEDULE "A" OF THE CUSTOMS TARIFF ACT AS OF 26TH FEBRUARY, 1937

Tariff Item No.	Short Title of Goods Enumerated	Customs Duties		
		British Preferential Tariff	Intermediate Tariff	General Tariff
792	Cotton pulp for artificial silk yarn manufacturers...	Free	Free	Free
200	Wood pulp for artificial silk yarn manufacturers....	Free	22½%	25 %
210a	Caustic soda, dry, per pound.....	1/5c.	3/10c.	3/10c.
210c	Caustic soda, in solution.....	15 %	17½%	17½%
558b	Yarns, artificial silk, singles, not coloured—			
	(a) Produced from cellulose acetate.....	5 %	30 %	35 %
	Provided that, in no case, shall the duty be less than, per pound.....		28 c.	28 c.
	(b) N.O.P.....	20 %	30 %	35 %
	Provided that, in no case, shall the duty be less than, per pound.....		28 c.	28 c.
561	Fabrics, artificial silk.....	27½%	40 %	45 %
	and, per pound.....		40 c.	40 c.
	Under the Canada-France Trade Agreement, less 10% of the Intermediate <i>ad valorem</i> duty.			
560d	Fabrics, artificial silk velvets over 24" in width....	17½%	32½%	35 %
	Under the Canada-France Trade Agreement, less 10% of the Intermediate.			
560e	Fabrics, artificial silk velvets, 24" or less in width..	17½%	32½%	35 %
	Under the Canada-France Trade Agreement, less 25% of the Intermediate.			
562a	Ribbons, artificial silk.....	22½%	32½%	35 %
	Under the Canada-France Trade Agreement, less 15% of the Intermediate.			
564	Fabrics, artificial silk and silk for neckties and mufflers.....	17½%	20 %	20 %
	Under the Canada-France Trade Agreement less 10% of the Intermediate.			
802	Fabrics, umbrella-covering of a class or kind not made in Canada.....	Free	10 %	20 %
	Under the Canada-France Trade Agreement, less 10% of the Intermediate.			
558d	Yarns, artificial silk, ply or coloured—			
	(a) Produced from cellulose acetate.....	7½%	30 %	35 %
	Provided that, in no case, shall the duty be less than, per pound.....		28 c.	28 c.
	(b) N.O.P.....	25 %	30 %	35 %
	Provided that, in no case, shall the duty be less than, per pound.....		28 c.	28 c.

NOTE:—Beginning in 1923 a discount of 10 p.c. has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 p.c.

Special excise tax of 3 p.c. is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 p.c., Excise tax applied on British imports until March, 1935 but at the rate of 1½ p.c. from April, 1934 until removed.

EXHIBIT No. 807

SUMMARY OF TARIFF RATES ON YARNS AND FABRICS OF ARTIFICIAL SILK

Prior to 1923 there was only one Item in the Tariff dealing specifically with artificial silk products and this was a special Item providing for the free entry under all Tariffs of yarns of artificial silk imported by manufacturers of knitted, woven or braided fabrics.

Yarns and fabrics imported prior to 1923 were treated as if composed of cotton and a reference to cotton yarn data will give the corresponding rates.

ARTIFICIAL SILK TOPS AND WASTE

	British Preferential Tariff	Intermediate Tariff	General Tariff
1923: Item 583a.....	5 %	7½%	10 %
1928: Item 557b.....	5 %	7½%	10 %
26th February, 1937.....	Free	7½%	10 %

The above is material mostly used for re-spinning.

Artificial silk yarns have been dutiable as follows:—

	British Preferential Tariff	Intermediate Tariff	General Tariff
Single Strand—			
1923: Item 583a.....	12½%	17½%	20 %
1928: Item 558b.....	12½%	17½%	20 %
17th September, 1930: Item 558b.....	25 %	30 %	35 %
Duty to be not less than, per pound.....	28 c.	28 c.	28 c.
19th April 1934: Item 558b.....	20 %	30 %	35 %
Duty to be not less than, per pound.....	20 c.	28 c.	28 c.
2nd May 1936: Item 558b—			
(a) Produced from cellulose acetate.....	5 %	30 %	35 %
Provided that, in no case, shall the duty be less under the Intermediate and General Tariffs than, per pound.....		28 c.	28 c.
(b) N.O.P.....	20 %	30 %	35 %
Provided that, in no case, shall the duty under the Intermediate or the General Tariffs, be less than, per pound.....		28 c.	28 c.

NOTE.—Beginning in 1923 a discount of 10 p.c. has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 p.c.

Special excise tax of 3 p.c. is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 p.c. Excise tax applied on British imports until March, 1935 but at the rate of 1½ p.c. from April, 1934 until removed.

	British Preferential Tariff	Intermediate Tariff	General Tariff
Ply yarns— <i>i.e.</i> two or more strands twisted together—			
1923: Item 583b.....	17½%	22½%	25 %
1928: Item 558d.....	17½%	22½%	25 %
17th September, 1930: Item 558d.....	25 %	30 %	35 %
Duty to be not less than, per pound.....	28 c.	28 c.	28 c.
2nd May, 1936: Item 558d—			
(a) Produced wholly from cellulose acetate.....	7½%	30 %	35 %
Provided that, in no case, shall the duty under the Intermediate or General Tariffs be less than, per pound.....		28 c.	28 c.
(b) N.O.P.....	25 %	30 %	35 %
Provided that, in no case, shall the duty under the Intermediate or General Tariffs be less than, per pound.....		28 c.	28 c.

It may be noted here that prior to 1923 artificial silk yarns, single or ply, with individual strands of 135 denier or finer, were permitted entry free of duty as being the equivalent of cotton yarns 40's or finer.

WOVEN FABRICS COMPOSED OF ARTIFICIAL SILK

	British Preferential Tariff	Intermediate Tariff	General Tariff
Composed wholly of artificial silk—			
1923: Item 583c.....	17½%	32½%	35 %
1928: Item 561.....	17½%	32½%	35 %
17th September, 1930: Item 561.....	27½%	40 %	45 %
and, per pound.....	30 c.	40 c.	40 c.
2nd May, 1936.....	30 %	40 %	45 %
and, per pound.....		40 c.	40 c.
26th February, 1937: Item 561.....	27½%	40 %	45 %
and, per pound.....		40 c.	40 c.
Under the Canada-France Trade Agreement Inter- mediate, less 10% of the <i>ad valorem</i> duty.			

NOTE.—Beginning in 1923 a discount of 10 p.c. has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 p.c.

Special excise tax of 3 p.c. is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 p.c. Excise tax applied on British imports until March, 1935, but at the rate of 1½ p.c. from April, 1934, until removed.

EXHIBIT No. 807—*Conc.*

	British Preferential Tariff	Intermediate Tariff	General Tariff
Composed in part of artificial silk (the other fibre being generally cotton)—			
1923: Item 583c.....	17½%	32½%	35 %
1928: Item 561a.....	20 %	30 %	35 %
17th September, 1930: Item 561.....	27½%	40 %	45 %
and, per pound.....	30 c.	40 c.	40 c.
2nd May 1936.....	30 %	40%	45%
and, per pound.....		40 c.	40 c.
26th February, 1937: Item 561.....	27½%	40 %	45 %
and, per pound.....		40 c.	40 c.
Under the Canada-France Trade Agreement Inter- mediate less 10% of the <i>ad valorem</i> duty.....			

As a matter of interest it may be pointed out that on the 19th April, 1934, a special Item was inserted in the Tariff for the benefit of manufacturers of plushes and velvets having pile of artificial silk, and it is quite possible that this privilege is only made use of by one or two concerns in the Dominion. The Tariff Item in question reads as follows:—

	British Preferential Tariff	Intermediate Tariff	General Tariff
(558f) Rovings, yarns and warps wholly of spun artificial silk or similar synthetic fibres produced by chemical processes, not coloured, imported by manufacturers for use exclusively in the manufacture of cut-pile fabrics, in their own factories.....	Free	30 %	35 %
but not less than, per pound.....		28 c.	28 c.

NOTE.—Beginning in 1923 a discount of 10 p.c. has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 p.c.

Special excise tax of 3 p.c. is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 p.c. Excise tax applied on British imports until March, 1935, but at the rate of 1½ p.c. from April, 1934, until removed.

SILK

CUSTOMS DUTIES SET FORTH IN SCHEDULE "A" OF THE CUSTOMS TARIFF ACT AS OF 26TH FEBRUARY, 1937

Tariff Item No.	Short Title of Goods Enumerated	Customs Duties		
		British Preferential Tariff	Intermediate Tariff	General Tariff
557	Raw Silk, <i>i.e.</i> singles in the gum.....	Free	Free	Free
558	Yarn, thrown silk in the gum.....	10 %	12½%	15 %
558c	Yarns, (1) silk or twists, ready for use.....	15 %	22½%	25 %
	(2) Wholly or partially covered with metallic strip.....	12½%	22½%	25 %
558a	Yarns, spun silk, singles only.....	10 %	12½%	15 %
558e	Yarn, spun silk, not coloured, and thrown silk in the gum for manufacturers.....	Free	7½%	10 %
560	Fabrics, silk, 7 pounds and less per 100 yards to be dyed and finished in Canada.....	17½%	30 %	45 %
560a	Fabrics, silk, general.....	22½%	40 %	45 %
	and, per lineal yard..... Under the Canada-France Trade Agreement, less 10% of the Intermediate <i>ad valorem</i> duty.		10 c.	10 c.
560b	Fabrics, silk, 26" in width or less.....	17½%	32½%	35 %
	Under the Canada-France Trade Agreement less 10% of the Intermediate.			
560d	Velvets, silk, over 24" wide.....	17½%	32½%	35 %
	Under the Canada-France Trade Agreement less 10% of the Intermediate.			
560e	Velvets, silk, 24" wide or less.....	17½%	32½%	35 %
	Under the Canada-France Trade Agreement, less 25% of the Intermediate.			
559	Black mourning crepes.....	10 %	17½%	20 %
562	Ribbons, silk.....	22½%	32½%	35 %
	Under the Canada-France Trade Agreement, less 15% of the Intermediate.			
563	Bolting cloth used by flour mills, etc.....	Free	Free	Free
564	Fabrics, silk for neckties and muffers.....	17½%	20 %	20 %
	Under the Canada-France Trade Agreement, less 10% of the Intermediate.			
802	Fabrics, umbrella-covering of a class or kind not made in Canada.....	Free	10 %	20 %
	Under the Canada-France Trade Agreement, less 10% of the Intermediate.			
567b	Church vestments, including altar cloths.....	12½%	17½%	20 %
	Under the Canada-France Trade Agreement, less 10% of the Intermediate <i>ad valorem</i> duty.			

NOTE.—Beginning in 1923 a discount of 10 p.c. has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 p.c.

Special excise tax of 3 p.c. is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 p.c. Excise tax applied on British imports until March, 1935 but at the rate of 1½ p.c. from April, 1934 until removed.

EXHIBIT No. 809—*Contc.*SUMMARY OF TARIFF RATES ON REAL SILK YARNS AND THREADS,
BROAD SILKS, RIBBONS AND NARROW FABRICS

Raw Silk, which is the basic form so far as the Canadian manufacturer is concerned and which consists of individual filaments grouped together to form strands of the desired weight and which are coated with the natural gum, which has to be removed before the merchandise is saleable, has always been free of duty under all Tariffs.

Silk Yarns, imported by manufacturers of silk underwear and of woven labels were on the free list from 1906 to 1928, and the same materials imported by manufacturers of ribbons and shoe laces, from 1910 to 1928, were dutiable as follows:—

British Pref.	Intermediate	General
5%	7½%	10%

Spun Silk, for the manufacturer of silk thread was put on the free list in 1914, while coloured spun silk, together with the silk yarns mostly used by manufacturers generally, were dutiable from 1906 to 1928 at 10 per cent-12½ per cent-15 per cent. A rearrangement was made in 1928 which left the raw silk free while the other silk yarns above mentioned were gathered together in one Item and made dutiable as follows:—

British Pref.	Intermediate	General
Free	7½%	10%

the above rates applying to the following processes: knitting underwear, weaving and the manufacture of silk thread. When used for other purposes, the rates were, on thrown silk in the gum:—

British Pref.	Intermediate	General
10%	12½%	15%

and the same rates were applied on spun silk, singles.

Coming now to the consumer's Item which would take care of *silk thread*, *crochet silks*, for sewing, embroidering and similar purposes, the rates have been as follows:—

—	British Preferential Tariff	Intermediate Tariff	General Tariff
1906 to Feb., 1936.....	17½%	22½%	25%
26th Feb., 1937.....	15%	22½%	25%

Broad silks, which were first made in Canada somewhere about the year 1922 or 1923, were dutiable as follows:—

—	British Preferential Tariff	Intermediate Tariff	General Tariff
1907.....	17½%	27½%	30%
1928: Item 560a.....	17½%	32½%	35%
1930: Item 560a.....	27½%	40%	45%
1931.....	27½%	40%	45%
and, per lineal yard.....		10c.	10c.
26th Feb., 1937: Item 560a.....	22½%	40%	45%
and, per lineal yard.....		10c.	10c.
Under the Canada-France Trade Agreement, less 10% of the Intermediate.			

NOTE.—Beginning in 1923 a discount of 10 per cent has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 per cent.

Special excise tax of 3 per cent is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 per cent. Excise tax applied on British imports until March, 1935, but at the rate of 1½ per cent from April, 1934, until removed

When considering silk fabrics 26 inches in width or less, it should be borne in mind that the Treaty rate applying to the principal foreign countries manufacturing such goods was 20 per cent for many years; even now is 32½ per cent less 10 per cent discount.

It may be mentioned that in 1923 a special Item was placed in the Tariff providing for the importation of silk cloth woven in the gum (which is the process generally adopted in the broad silk trade), when imported to be dyed and finished in Canada, would take the following rates:—

	British Pref.	Intermediate	General
	12½%	22½%	35%
1930 to date:	17½%	30%	45%

NOTE.—The Item having been changed to exclude all but light fabrics such as georgette and crepe de chine.

Ribbons of all kinds and materials were made dutiable in 1906 at:—

British Pref.	Intermediate	General
22½%	32½%	35%

which rates, so far as silk and artificial silk ribbons are concerned are still in force.

Embroideries, laces, braids, fringes, tassels and fancy cords, of all materials, were dutiable in 1906 at:—

	British Preferential Tariff	Intermediate Tariff	General Tariff
26th Feb., 1937.....	25%	32½%	35%
Under the Canada-France Trade Agreement, less 15% of the Intermediate.	22½%	32½%	35%

Embroideries, lace nets, netting, bobbinet, n.o.p. fringes, tassels, wholly of cotton, were dutiable in 1928 at:—

	British Preferential Tariff	Intermediate Tariff	General Tariff
1930.....	20%	27½%	30%
and, per pound.....	3c.	3½c.	4c.
1932.....	20%	27½%	30%
and, per pound.....	2c.	3½c.	4c.
1936.....	20%	27½%	30%
and, per pound.....		3½c.	4c.
Under the Canada-France Trade Agreement, less 20% of the Intermediate.			

NOTE.—Beginning in 1923 a discount of 10 per cent has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 per cent.

Special excise tax of 3 per cent is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 per cent. Excise tax applied on British imports until March, 1935, but at the rate of 1½ per cent from April, 1934, until removed.

EXHIBIT No. 810

WOOLLENS AND WORSTEDS

CUSTOMS DUTIES SET FORTH IN SCHEDULE "A" OF THE CUSTOMS TARIFF ACT AS OF 26TH FEBRUARY, 1937.

Tariff Item No.	Short Title of Goods Enumerated	Customs Duties		
		British Preferential Tariff	Intermediate Tariff	General Tariff
549	Raw wool, and spinnable hair—per pound..... Under the Canada-France Trade Agreement, hair of the camel and alpaca goat, less 20% of the Intermediate.	Free	10c.	15c.
549a	Hair, ordinary goat and horse.....	Free	Free	Free
551a	Yarns, woollen and worsted for manufacturers..... and, per pound.....	10% 5c.	17½% 15c.	20% 17½c.
554c	Fabrics, 4 oz., for dyeing or finishing..... and, per pound.....	Free	25% 17½c.	30% 20c.
554	Fabrics, 6 oz., for dyeing or finishing..... and, per pound.....	17½% 7½c.	25% 17½c.	30% 20c.
554b	Fabrics, suiting and overcoating..... and, per pound..... (Provided, however, that the sum of the specific and <i>ad valorem</i> duties imposed by this Item on imports under the British Preferential Tariff shall not be in excess of 50c. per pound.)	22½% 12c.	35% 30c.	40% 35c.
554a	Linings, Italian.....	Free	20%	25%
554d	Narrow braids and webbings.....	27½%	35%	35%
554f	Billiard cloth.....	Free	35%	40%
	and, per pound.....		30c.	35c.
551	Yarns, fingering, for the Consumer..... and, per pound.....	15% 6c.	20% 20c.	22½% 22½c.

EXHIBIT No. 811

SUMMARY OF TARIFF RATES ON CERTAIN WOOLLEN AND WORSTED MANUFACTURES FROM 1907 TO 26TH FEBRUARY, 1937

Worsted yarns used by weavers were dutiable as follows:—

	British Preferential Tariff	Intermediate Tariff	General Tariff
1907.....	12½%	17½%	20%
1928.....	Free	10%	12½%
1930..... and, per pound.....	10% 10c.	17½% 15c.	20% 17½c.
1932..... and, per pound.....	10% 7½c.	17½% 15c.	20% 17½c.
26th Feb. 1937..... and, per pound.....	10% 5c.	17½% 15c.	20% 17½c.

The above does not take into account certain mohair yarns used mainly by manufacturers of plushes, which yarns were free under all Tariffs from 1907 to 1928, when they took the above mentioned rates of Free—10 per cent—12½ per cent, which were increased in 1930 to 10 per cent—17½ per cent—20 per cent with a specific duty of 10c.—15c.—17½c. per pound, to be changed back a year later (1931) to the 1928 rates of Free—10 per cent—12½ per cent which are still in force.

NOTE.—Beginning in 1923 a discount of 10 per cent has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 per cent.

Special excise tax of 3 per cent is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 per cent. Excise tax applied on British imports until March, 1935, but at the rate of 1½ per cent from April, 1934, until removed.

Yarns used by the knitting mills are, broadly speaking, of two classes, i.e., Bradford spun, used largely for sweaters and outer garments, as well as golf stockings, the heavier hosiery, etc., and "dry spun" which are finer, softer, rather more delicate yarns, used for underwear and the finer socks and stockings.

The Bradford spun yarns were dutiable from 1907 to 1930 at $12\frac{1}{2}$ per cent— $17\frac{1}{2}$ per cent—20 per cent.

The "dry spun" yarns were, by virtue of a drawback provision, practically free of duty from 1907 until 1928, when they were made dutiable at 10 per cent— $17\frac{1}{2}$ per cent—20 per cent without provision for drawback. This rate prevailed until 1930 when the duties on both Bradford and "dry spun" yarns were set as follows:

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1930.....	10%	$17\frac{1}{2}$ %	20%
and, per pound.....	10c.	15c.	$17\frac{1}{2}$ c.
1932.....	10%	$17\frac{1}{2}$ %	20%
and, per pound.....	$7\frac{1}{2}$ c.	15c.	$17\frac{1}{2}$ c.
1937.....	10%	$17\frac{1}{2}$ %	20%
and, per pound.....	5c.	15c.	$17\frac{1}{2}$ c.

Yarns of the type sold retail to the consumer have been dutiable as follows:

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1907.....	20%	$27\frac{1}{2}$ %	30%
1928.....	20%	$22\frac{1}{2}$ %	25%
1930.....	15%	20%	$22\frac{1}{2}$ %
and, per pound.....	15c.	20c.	$22\frac{1}{2}$ c.
1932.....	15%	20%	$22\frac{1}{2}$ %
and, per pound.....	$11\frac{1}{2}$ c.	20c.	$22\frac{1}{2}$ c.
1937.....	15%	20%	$22\frac{1}{2}$ %
and, per pound.....	6c.	20c.	$22\frac{1}{2}$ c.

WOOLLEN AND WORSTED SUITINGS, OVERCOATS, DRESSGOODS AND
PAPERMAKERS' FELTS, WHICH ARE WOVEN AND AFTERWARDS
FELTED, BUT NOT INCLUDING PRESSED FELTS

Woollen flannels—

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1907.....	$22\frac{1}{2}$ %	30%	35%
1922.....	20%	30%	35%

The above rates prevailed until 1928.

NOTE.—Beginning in 1923 a discount of 10 per cent has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 per cent.

Special excise tax of 3 per cent is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 per cent. Excise tax applied on British imports until March, 1935, but at the rate of $1\frac{1}{2}$ per cent from April, 1934, until removed.

EXHIBIT No. 811—*Con.**Other woollen and worsted fabrics—*

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1907.....	30%	35%	35%
1922.....	27½%	35%	35%

The above rates prevailed until 1928.

Woollen and worsted fabrics, 5 oz. to the square yard, or less—

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1928.....	22½%	30%	35%

Woollen and worsted fabrics, exceeding 5 oz. to the square yard—

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1928.....	27½%	35%	35%

The above fabrics were merged into one Item No. 554b on September 17, 1930. The rates were:

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
and, per pound.....	27½% 25c.	35% 30c.	40% 35c.
13th Oct., 1932.....	27½% 18¾c.	35% 30c.	40% 35c.
23rd March, 1935.....	27½% 17c.	35% 30c.	40% 35c.
(Provided, however, that the sum of the specific and <i>ad valorem</i> duties imposed by this Item on imports under the British Preferential Tariff shall not be in excess of 65c. per pound.)			
26th Feb., 1937.....	22½% 12c.	35% 30c.	40% 35c.
(Provided, however, that the sum of the specific and <i>ad valorem</i> duties imposed by this Item on imports under the British Preferential Tariff shall not be in excess of 50c. per pound.)			

On October 13, 1932, the rates on fabrics weighing not less than 18 oz. per square yard were changed under the British Preferential Tariff from 27½ per cent and 25c. per pound to 25 per cent and 20c. per pound. This was Item 554e and remained in effect until the 23rd of March, 1935, at which time

NOTE.—Beginning in 1923 a discount of 10 per cent has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 per cent.

Special excise tax of 3 per cent is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 per cent. Excise tax applied on British imports until March, 1935, but at the rate of 1½ per cent from April, 1934, until removed.

it was cancelled. These fabrics became dutiable under Tariff Item 554b as above.

Throughout the period 1907 to date there has been in the Tariff special provision for light weight fabrics 6 oz. per square yard, or lighter, substantially of wool, when imported to be dyed or finished in Canada. The rates on these goods have been as follows:

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1907.....	15%	22½%	25%
1928.....	10%	17½%	25%
1930.....	20%	25%	30%
and, per pound.....	12½c.	17½c.	20c.
1932: These fabrics were subdivided and those not exceeding in weight 4 oz. per square yard were changed under the British Preferential Tariff from 20% and 12½c. per pound to FREE of both duties, while those weighing from 4 to 6 oz. were changed under the same Tariff from 20% and 12½c. per pound to 20% and 9¼c. per pound. In February, 1937, the duties on the latter Item were reduced to 17½% and 7½c. per pound.			

NOTE.—Beginning in 1923 a discount of 10 per cent has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 per cent.
Special excise tax of 3 per cent is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 per cent. Excise tax applied on British imports until March, 1935, but at the rate of 1½ per cent from April, 1934, until removed.

SUMMARY OF TARIFF RATES ON KNITTED GOODS

This deals not only with such articles as cardigans, pullovers and similar goods, which are composed of sections specially knitted for the purposes, but also includes garments such as underwear, which are, to a large extent, made from a knitted fabric produced in piece goods form which can be treated just like any other cloth, i.e., cut to shape and the pieces sewn together to form garments or other articles.

This also deals with the knitted fabric itself, which, by the way, is produced in tabular form, i.e., without a natural selvedge. This knitted fabric will be dealt with separately as, for a period, it was embodied in woven fabric Items and treated according to material, i.e. cotton, wool, silk, etc.

KNITTED GOODS GENERALLY:

In giving the following Tariff rates the actual text of the Tariff Item is indicated.

EXHIBIT No. 812—*Con.*

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1907: Undershirts, drawers and knitted goods, n.o.p.....	22½%	30%	35%
1922: Knitted undershirts, knitted drawers and knitted goods, n.o.p.....	20%	30%	35%
1929: Item 568 Knitted garments, knitted underwear and knitted goods, n.o.p., all valued at more than 90c. per pound.....	20%	30%	35%
Item 568a Knitted garments, knitted underwear and knitted goods, n.o.p., all valued at 90c. per pound, or less.....	15%	30%	35%
17th Sept., 1930: Item 568 Knitted garments, knitted underwear and knitted goods, n.o.p.....	25%	35%	45%
22nd March, 1935 to date: Item 568 Knitted garments, knitted underwear, and knitted goods, n.o.p..... and, per pound.....	25%	35% 25c.	45% 30c.
26th Feb., 1937: Item 568..... and, per pound.....	20%	35% 25c.	45% 30c.

NOTE.—Beginning in 1923 a discount of 10 per cent has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 per cent.

Special excise tax of 3 per cent is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 per cent. Excise tax applied on British imports until March, 1935, but at the rate of 1½ per cent from April, 1934, until removed.

KNITTED FABRIC IN PIECE GOODS FORM

The exact text of the respective Items is not quoted, but an indication of material is given, which will serve the purpose.

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1907: Knitted fabrics of all kinds, i.e., cotton, wool, silk, etc..	22½%	30%	35%
1922: Knitted fabrics of all kinds, i.e., cotton, wool, silk, etc..	20%	30%	35%
1928: Cotton or linen.....	20%	27½%	30%
Woollen or worsted—5 oz. per square yard or less.....	22½%	30%	35%
Over 5 oz. per square yard.....	27½%	35%	35%
Real silk.....	20%	32½%	35%
Artificial silk.....	20%	30%	35%
17th Sept., 1930: Item 568 Knitted fabrics of all kinds, i.e., cotton, wool, silk, etc..	25%	35%	45%
22nd March, 1933: Item 568 Knitted fabrics of all kinds, i.e., cotton, wool, silk, etc.. and, per pound.....	25%	35% 25c.	45% 30c.
26th Feb., 1937: Item 568..... and, per pound.....	20%	35% 25c..	45% 30c.

EXHIBIT No. 813

SUMMARY OF TARIFF RATES ON HOSIERY

Socks and stockings of all kinds were dutiable from 1907 until the Tariff revision of 1928 at:—

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
Item 568a.....	25%	32½%	35%

In 1928 the Item was divided into six sections, according to whether the stockings were of cotton, wool, silk or artificial silk, and, in the case of woollen stockings, there were two extra Items, making three in all for woollen stockings, graded according to value, which virtually was a separation in regard to qualities, i.e., ranging from the coarse strong type to the finer grades.

NOTE.—Beginning in 1923 a discount of 10 per cent has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 per cent.

Special excise tax of 3 per cent is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 per cent. Excise tax applied on British imports until March, 1935, but at the rate of 1½ per cent from April, 1934, until removed.

EXHIBIT No. 813—*Con.*

From 1928 to 1930 the six Items were as follows:—

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
Cotton stockings: Item 530.....	20%	27½%	30%
Woollen stockings: worth more than \$1.50 per pound, Item 556.....	27½%	32½%	35%
worth more than 90c. per pound, but not exceeding \$1.50, Item 556A.....	25%	32½%	35%
worth 90c. per pound or less, Item 556B.....	20%	27½%	30%
Silk stockings: Item 566.....	25%	32½%	35%
Artificial Silk stockings: Item 566A.....	25%	32½%	35%

In 1930, socks and stockings were again grouped in one Item 568A, at the following rates of duty:—

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
.....	30%	32½%	35%
and, per dozen pairs.....	\$1.00	\$1.35	\$1.50
which rates were changed in October 1932 to.....	30%	32½%	35%
and, per dozen pairs.....	75c.	\$1.35	\$1.50
26th Feb. 1937: of wool.....	20%	32½%	35%
and, per dozen pairs.....	30c.	\$1.35	\$1.50
26th Feb. 1937: n.o.p.....	20%	32½%	35%
and, per dozen pair.....	—	\$1.35	\$1.50

NOTE.—Beginning in 1923 a discount of 10 per cent has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 per cent.

Special excise tax of 3 per cent is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 per cent. Excise tax applied on British imports until March, 1935, but at the rate of 1½ per cent from April, 1934, until removed.

Gloves and mitts.—It might be pertinent here to give the rates on knitted gloves and mitts.

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1907: Gloves and mitts—Item 627.....	22½%	30%	35%
1928: Gloves—Item 627.....	22½%	30%	35%
Mitts—Item 627a.....	15%	25%	30%
1930 to 1937: Item 568b Gloves and Mitts.....	25%	25%	45%
26th Feb. 1937.....	20%	25%	45%

SUMMARY OF TARIFF RATES ON BLANKETS AND AUTO AND
STEAMER RUGS, 1907 TO DATE

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
Blankets wholly of wool— 1907.....	22½%	30%	35%
Blankets wholly of cotton— 1907.....	25%	30%	35%

In 1922 the Items were amended to cover blankets of any material and the rates were:

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1922.....	22½%	30%	35%
1928: Woollen blankets.....	22½%	30%	35%
Cotton blankets.....	15%	22½%	27½%

NOTE.—Beginning in 1923 a discount of 10 per cent has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 per cent.
Special excise tax of 3 per cent is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 per cent. Excise tax applied on British imports until March, 1935, but at the rate of 1½ per cent from April, 1934 until removed.

EXHIBIT No. 814—*Cont.*

In September, 1930, under Tariff Item 553, blankets of wool and cotton were again merged, the rates being:

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
.....	22½%	30%	35%
and, per pound.....	20c.	25c.	30c.
24th May, 1932.....	22½%	30%	35%
and, per pound.....	10c.	25c.	30c.
26th Feb. 1937.....	20%	30%	35%
and, per pound.....	5c.	25c.	30c.
Under the New Zealand Trade Agreement, blankets of any material 20%.			

RUGS

For the type known as automobile and steamer and similar articles, the rates have been as follows:

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1907.....	30%	35%	35%
1922.....	27½%	35%	35%
Sept. 1930: Tariff Item 555.....	30%	40%	40%
and, per pound.....	25c.	32½c.	35c.
13th Oct. 1932.....	30%	40%	40%
and, per pound.....	18½c.	32½c.	35c.
26th Feb. 1937.....	30%	40%	40%
and, per pound.....	—	32½c.	35c.
Under the New Zealand Trade Agreement, rugs, travelling, all wool, 30%.			

NOTE.—Beginning in 1923 a discount of 10 per cent has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 per cent.

Special excise tax of 3 per cent is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 per cent. Excise tax applied on British imports until March, 1935, but at the rate of 1½ per cent from April, 1934, until removed.

SUMMARY OF TARIFF RATES ON CARPETS AND RUGS

CARPETS AND RUGS OF THE ORIENTAL, BRUSSELS, WILTON, AXMINSTER, CHENILLE AND
KIDDERMINSTER TYPES

	British Preferential Tariff	Inter- mediate Tariff	General Tariff
1907 to 1930: Item No. 572.....	25%	30%	35%
1930: Item No. 572.....	30%	35%	40%
and, per square foot.....	10c.	15c.	20c.
1932: Item No. 572.....	30%	35%	40%
and, per square foot.....	5c.	15c.	20c.
March 1935: Oriental and imitation Oriental rugs or carpets and car- peting, carpets and rugs, n.o.p.—			
(a) if valued at less than two dollars per square yard. and, per square foot.....	30% 3c.	35% 15c.	40% 20c.
(b) If valued at two dollars or more per square yard. and, per square foot.....	30% 5c.	35% 15c.	40% 20c.
Under the New Zealand Trade Agreement, rugs, floor or carpets, of wool, 25%.			
26th Feb. 1937: Item No. 572.....	30%	35%	40%
and, per square foot.....	—	15c.	20c.
Under the New Zealand Trade Agreement, rugs, floor or carpets, of wool, 25%.			

NOTE.—Beginning in 1923 a discount of 10 per cent has been allowed on duties on direct shipments under B.P. Tariff when rates exceed 15 per cent.

Special excise tax of 3 per cent is levied on duty paid value of all imports from foreign countries. From 1931 to 1932 tax was at the rate of 1 per cent. Excise tax applied on British imports until March, 1935, but at the rate of $1\frac{1}{2}$ per cent from April, 1934, until removed.

STATEMENT OF RATES OF SPECIAL EXCISE TAX ON TEXTILES FROM 1931
TO DATE

June 2, 1931	1 per cent on importations.
to	
April 6, 1932	
April 7, 1932	3 per cent on importations.
to	
April 18, 1934	
April 19, 1934	3 per cent on importations.
to	
March 22, 1935	$1\frac{1}{2}$ per cent on importations entitled to entry under the British Preferential Tariff or under trade agreements between Canada and other British countries.
March 23, 1935	3 per cent on importations.
	Special Excise Tax does not apply on importations entitled to entry under the British Preferential Tariff or under trade agreements between Canada and other British countries.
	Canadian made goods do not pay this excise.

APPENDIX D

REPORT TO THE FAIR WAGE BOARD OF THE PROVINCE OF QUEBEC BY COMMITTEE OF EIGHT (COTTON INDUSTRY)

MONTREAL, December 20, 1937.

To the Fair Wage Board of the Province of Quebec.

We, the undersigned, being all the members of the Committee of Eight, appointed as a result of the agreement made on the 27th day of August, 1937, in the office of the Honourable Maurice Duplessis, K.C., Prime Minister of the Province of Quebec, between Dominion Textile Company Limited, The Montreal Cottons Limited and La Fédération Nationale Catholique du Textile Inc. by which agreement the strike of certain employees of Dominion Textile Company Limited, The Montreal Cottons Limited and Drummondville Cotton Company Limited was settled, and being the Committee to which the Fair Wage Board of the Province of Quebec referred for settlement and report the question of wages, hours and working conditions for certain employees of Dominion Textile Company Limited, The Montreal Cottons Limited and Drummondville Cotton Company Limited, have the honour to report that we have unanimously agreed upon all the terms and conditions of a settlement covering wages, hours and working conditions for all employees concerned of Dominion Textile Company Limited, The Montreal Cottons Limited and Drummondville Cotton Company Limited, which settlement is satisfactory to and has been agreed to by the companies and the employees concerned, the details of which are as follows:—

1. Hours of Work

(a) All employees, except those referred to in sub-paragraphs (b) and (c) of this paragraph, shall be on a fifty-hour week basis for day and night work, to be divided into ten hours per day or per night, from Monday to Friday inclusively. The day shift shall work from 7 o'clock in the morning to 12 o'clock noon and from 1 o'clock p.m. to 6 o'clock p.m. and the night shift from 6 o'clock p.m. to 11 o'clock p.m. and from 12 midnight to 5 o'clock a.m.

(b) Maintenance men shall be on a fifty-five hour week basis, but the hours of work for maintenance men for day or night shall not be limited.

(c) Stokermen, night watchmen and bleachers, who are presently working 84 hours a week shall be on a 72-hour week basis and shall work 12 hours per day or per night for six days a week.

2. Shifts

(a) In case it may be necessary to operate any mill or any department in any mill for 120 hours per week or over, there may be three shifts, each shift in such cases not to work more than 8 hours per shift.

(b) In any cases where any of the companies involved are operating three shifts at the present time, these shifts will operate as at the present time but not more than 8 hours per day or per night for each shift.

(c) In cases where there are less than 90 hours of work per week, the company at its option may operate in two shifts of 8 hours each.

(d) All employees of the printing and dyeing departments may be divided into three shifts, each shift working 48 hours a week or less, or such employees may be divided into two shifts, each shift working 50 hours a week or less at the option of the company, but in any event the hours of work each week shall be spread between 7 a.m. Monday to 12 o'clock noon Saturday.

3. Overtime

(a) All hours worked in excess of 50 hours per week, or in excess of 10 hours per day, shall be considered to be overtime work, except for those employees mentioned in the next two succeeding sub-paragraphs.

(b) All hours worked by maintenance men in excess of 55 hours in any one week shall be deemed to be overtime work.

(c) All hours worked by stokermen, night watchmen and bleachers in excess of 72 hours in any one week shall be considered to be overtime work.

4. *Legal Holidays*

If a legal holiday occurs during the first five days of any week, the employees working on the day shift shall work ten hours on the succeeding Saturday or at the option of the Collective Committee (hereinafter referred to) for the mill concerned, five hours each on the two succeeding Saturday mornings after the holiday, and the employees working on the night shift shall work six hours on the succeeding Saturday night from 6 o'clock p.m. to midnight and one additional hour each night for four nights of the succeeding week or at the option of the Collective Committee for the mill concerned, the night shift shall work during the pay fortnight in which the legal holiday occurs one additional hour for nine nights, the whole without any overtime being payable on account of the hours so worked.

This provision shall not apply, however, to Christmas Day, New Year's Day, St. Jean Baptiste Day and Good Friday, and the time lost on account of these days shall not be made up.

5. *Wage Increases*

The following wage increases have been agreed upon:—

(a) An increase of 5 per cent to all employees upon all wages actually earned by them for the period from August 30, 1937, to December 11, 1937, inclusively, which increase shall be paid by the companies concerned in a lump sum as soon as possible after the signing of the collective agreements hereinafter referred to.

(b) A general increase for all piece workers of 4 per cent over the rates in force for piece workers prior to the 30th day of August, 1937.

(c) A general increase of 7 per cent over the rates in force for hourly paid workers prior to the 30th day of August, 1937, for all hourly paid workers earning less than 30 cents an hour prior to August 30, 1937.

(d) A general increase of 5 per cent over the rates in force for hourly paid workers prior to the 30th day of August, 1937, for all hourly paid workers earning 30 cents an hour or over prior to August 30, 1937.

(e) No night worker shall receive less than 20 cents an hour and all night workers who, prior to August 30, 1937, received less than 20 cents an hour, shall be increased to that minimum, if under the increased rates of pay referred to in sub-paragraphs (b) and (c) of this paragraph 5, such night workers do not receive that minimum salary.

(f) All night workers will receive 2 per cent over the corresponding day rate for the same work.

(g) All overtime worked will be paid for at an increased rate of 5 per cent over the ordinary rate.

(h) Stokermen, night watchmen and bleachers shall receive for a week of 72 hours, the same wages that they received for an 84-hour week prior to the 30th day of August, 1937, and proportionately less in case the full 72 hours are not worked.

(i) No apprentice shall receive less than 15 cents an hour.

(j) All increases in wages provided for in this paragraph 5 except that provided for in sub-paragraph (a) of this paragraph 5, shall go into effect as of and from December 13, 1937.

6. *Collective Agreement*

The companies and the employees concerned shall enter into collective agreements upon the following terms and conditions:—

(a) There shall be a collective agreement in respect of each mill, but no collective agreement shall be extended under the provisions of An Act Respecting Workmen's Wages, except with the consent of the company and any attempt so to extend any agreement shall render it null and void and inoperative immediately.

(b) All collective agreements shall terminate on September 3, 1938, in any event or they may be terminated on May 28, 1938, at the option of any of the parties thereto, provided the party so desiring to terminate give notice in writing to all the other parties to all the agreements prior to the 28th day of February, 1938, in which event all collective agreements entered into shall terminate on May 28, 1938.

(c) The committee to be formed under each collective agreement shall be called the Local Collective Committee and shall consist of six members, three to be chosen by and to represent the company concerned and three to represent the other parties to such agreement and to be chosen as follows:—

(i) If 50 per cent or more of the employees of the mill concerned are paid-up members of the local syndicate of La Fédération Nationale Catholique du Textile Inc., then such local syndicate shall be entitled to two out of the three representatives of such mill and the other parties thereto (excluding the company concerned, La Fédération Nationale Catholique du Textile Inc. and its local syndicate) shall be entitled to one representative;

(ii) if less than 50 per cent of the employees of the mill concerned are paid-up members of the local syndicate of La Fédération Nationale Catholique du Textile Inc., then such local syndicate shall be entitled to one out of the three representatives for such mill, and the other parties thereto (excluding the company concerned, La Fédération Nationale Catholique du Textile Inc. and its local syndicate) shall be entitled to two representatives.

(d) For the purposes of any such collective agreement a paid-up member of the local syndicate shall mean a member in good standing according to the rules of such syndicate.

(e) For the purpose of determining the number of representatives to which the local syndicate is entitled on any collective committee, the local syndicate of La Fédération Nationale Catholique du Textile Inc. shall furnish to the company concerned an affidavit stating the number of employees in the mill concerned who are paid-up members of the syndicate.

(f) No collective agreement shall be entered into, however, unless the Fair Wage Board permits Dominion Textile Company Limited, The Montreal Cottons Limited and Drummondville Cotton Company Limited to withdraw the petitions of such companies now pending before the Fair Wage Board and made by such companies under the provisions of the Fair Wage Act, and unless no tax or levy of any kind is assessed against the said companies under the provisions of the Fair Wage Act.

(g) Each collective agreement shall also provide for the appointment of a committee to be called the "Central Collective Committee" to consist of the following eight members:—

1. W. G. E. Aird, to represent The Montreal Cottons Limited;
2. F. R. Daniels, to represent Dominion Textile Company, Limited;
3. H. D. Roberts, to represent Dominion Textile Company, Limited;
4. J. W. Yaxley, to represent Drummondville Cotton Company, Limited;
5. Alfred Charpentier, to represent La Fédération Nationale Catholique du Textile Inc.;
6. Albert Coté, to represent La Fédération Nationale Catholique du Textile Inc.;

7. Ephrem Clement, to represent the employees of the companies concerned who are not members of La Fédération Nationale Catholique du Textile Inc., or any local syndicates thereof.
8. Lorenzo Plouffe, to represent the employees of the companies who are not members of La Fédération Nationale Catholique du Textile Inc. or any local syndicates thereof.

(h) The Central Collective Committee shall only deal with matters arising out of any collective agreement which affects two or more mills and which cannot be effectively dealt with by the Local Collective Committee appointed in respect of the mill in which the matter arises.

(i) Any collective agreement may at its option be signed by La Fédération Nationale Catholique du Textile Inc. in addition to the signature of the local syndicate of that federation.

(j) Union Ouvrière de l'Industrie Textile may, at its option, be a party to any such collective agreement affecting any of the Sherbrooke mills of Dominion Textile Company Limited.

(k) All employees, representatives of employees or associations or organizations of employees may be parties to any collective agreement affecting the mill or mills in which they work or which they represent or for which they are organized.

7. *Apprentices*

The number of apprentices shall not exceed at any one mill at any one time 5% of the total number of employees. The period of apprenticeship shall not be more than one year and not less than three months, the actual period, according to the occupation, to be determined by the company concerned.

The company concerned shall furnish to the Local Collective Committee at the mill concerned at its request a list of learners or apprentices in its employ at such mill.

8. *Machines*

All machines will be stopped during the meal hour, except continuous process machines.

9. *Information*

(a) The company concerned shall furnish to the Local Collective Committee a list of basic wages for each piece work occupation.

(b) The company concerned shall furnish to the Local Collective Committee a list showing whether its various operations are performed by male or female help or both.

10. *Note Book*

The company concerned shall furnish to each employee covered by the terms of any collective agreement at his request a small note book for the purpose of assisting that employee to keep track of his or her wages, and if and when that book has been completely used by such employee for the purpose for which it was intended, the company upon satisfactory evidence thereof will furnish a new book to such employee upon demand, the whole free of charge.

11. *Application of Collective Agreements*

Any collective agreement entered into between the parties herein referred to shall apply only to those employees actually employed in the mill of the company concerned at an hourly rate of pay or upon piece work, and not to monthly paid employees, office employees, the employees referred to in paragraph 12 hereof, or any other employees of the company, but such collective agreements shall cover and apply to all employees of the company, except those excepted by this paragraph.

12. Rayon Operations

Any collective agreement entered into shall not apply to employees of Dominion Textile Company Limited, and/or The Montreal Cottons Limited who are engaged in rayon operations, except to such employees who are engaged both in rayon and cotton operations, in such a manner that the work which they do cannot be definitely classified under one heading or the other, in which event the terms of the relative collective agreement shall apply to such employees.

13. The foregoing shall form the basis of each collective agreement entered into in respect of any mill of the company and each particular collective agreement, in addition to incorporating the foregoing in so far as they relate to matters affecting all mills, shall include therein such items which are referred to in the foregoing which are suitable to each particular mill.

The Committee of Eight append to this report the written consent of Dominion Textile Company Limited, The Montreal Cottons Limited, Drummondville Cotton Company Limited and La Fédération Nationale Catholique du Textile Inc. to enter into collective agreements subject to and in accordance with the terms and conditions above set forth.

The Committee of Eight respectfully recommend that the Fair Wage Board approve of the terms of this report and permit the companies concerned to withdraw all applications or petitions now pending before the Fair Wage Board upon the terms and conditions set out in this report.

The whole respectfully submitted.

DATED at Montreal, Quebec, this 20th day of December, A.D. 1937.

IN THE PRESENCE OF:

(Signed) W. G. E. AIRD
 (Signed) F. R. DANIELS
 (Signed) H. D. ROBERTS
 (Signed) JOHN W. YAXLEY
 (Signed) ALFRED CHARPENTIER
 (Signed) ALBERT COTÉ
 (Signed) EPHREM CLEMENT
 (Signed) LORENZO PLOUFFE

We, the undersigned, agree to enter into collective agreements subject to and in accordance with the terms and conditions of the foregoing report.

MONTREAL, December 20, 1937.

UNION OUVRIERE DE L'INDUSTRIE TEXTILE INC.

(Signed) LORENZO PLOUFFE

THE MONTREAL COTTONS LTD.

(Signed) W. G. E. AIRD

DOMINION TEXTILE CO. LTD.

(Signed) G. B. GORDON

Per (Signed) ALFRED CHARPENTIER

DRUMMONDVILLE COTTON CO. LTD.

(Signed) G. B. GORDON

LA FEDERATION NATIONALE CATHOLIQUE DU TEXTILE INC.

(Signed) ALBERT COTÉ

We, the undersigned, hereby agree that in so far as the Montreal Cottons Limited is concerned, sub-paragraph (j) of paragraph 5 of the foregoing report, shall read as follows:—

"5. (j) All increases in wages provided for in paragraph 5 except that provided for in sub-paragraph (a) of this paragraph 5, shall go into effect as of and from December 20, 1937."

And that sub-paragraph (a) of the said paragraph 5, shall read as follows:—

"5. (a) An increase of 5% to all employees upon all wages actually earned by them for the period from August 30, 1937, to December 18, 1937, inclusively, which increase shall be paid by the Montreal Cottons Limited in a lump sum as soon as possible after the signing of the collective agreements herein referred to."

DATED at Montreal, Quebec, this 20th day of December, A.D. 1937.

(Signed)	W. G. E. AIRD
(Signed)	F. R. DANIELS
(Signed)	H. D. ROBERTS
(Signed)	JOHN W. YAXLEY
(Signed)	EPHREM CLEMENT
(Signed)	ALBERT COTÉ
(Signed)	ALFRED CHARPENTIER.
(Signed)	LORENZO PLOUFFE.

Supplementary agreement by the Committee of Eight to be annexed to the report of the Committee of Eight made to the Fair Wage Board of the Province of Quebec and dated December 20, 1937.

COMPLAINTS

1. In case any employee of any of the companies concerned complains that he has been unjustly dismissed, he shall have the right of appeal to the Superintendent of the mill concerned.

2. In case the employee is dissatisfied with the decision of the mill superintendent, he shall have the right to appeal to the Local Collective Committee by filing an affidavit with the Chairman of such Committee stating that he has, in his opinion, been unjustly dismissed and setting out the facts in connection therewith.

3. The Local Collective Committee shall deal with such appeal within eight days of the date of its reception.

4. If an employee is dissatisfied with the decision of the Local Collective Committee he must notify the Chairman of that Committee to that effect.

5. Upon receipt of any such notification, the Employer's section of the Local Collective Committee shall within eight days of such notification appoint an arbitrator and the employee shall have the right within a period of four days of such notification to appoint an arbitrator and if the employee does not exercise the said right within the said period of four days, then the Employees' section of the Local Collective Committee shall, within a further period of four days, appoint an arbitrator.

6. The employee may, at any time, waive his right to appoint an arbitrator, in which case the arbitrator will be appointed by the Employees' section of the Local Collective Committee.

7. The two arbitrators appointed as above set forth shall appoint a third arbitrator and if they cannot agree upon the third arbitrator within a period of four days from the date of the appointment of the last of the two arbitrators above mentioned, then the Minister of Labour of the Province of Quebec shall have the right to name the third arbitrator upon the application of the Employee or the Company.

8. Any decision rendered by the Board of Arbitrators so composed shall be final and binding on the Company concerned and the employee.

9. The employee shall be entitled to be represented by any Union to which he belongs which has a membership among the employees of the Company concerned, or by any other person.

(Signed) W.G.E.A.
F.R.D.
H.D.R.
J.Y.

DATED at Montreal, this 20th day of December, 1937.

In the presence of:

(Signed) ALBERT COTÉ
(Signed) EPHREM CLEMENT
(Signed) LORENZO PLOUFFE.
(Signed) W. G. E. AIRD
(Signed) F. R. DANIELS
(Signed) H. D. ROBERTS
(Signed) JOHN W. YAXLEY
(Signed) ALFRED CHARPENTIER

APPENDIX E FURTHER STATISTICS ON LABOUR AND WAGES

EXHIBIT No. 1287.

TABLE 1.—PRINCIPAL INDUSTRIES ARRANGED ACCORDING TO AVERAGE WEEKLY WAGES OF WAGE EARNERS, 1934
CANADA

	Males	
	Number	Average Weekly Earnings
		\$ cts.
1 Automobiles.....	10,292	33 94
2 Printing and publishing.....	6,561	27 15
3 Coke and gas products.....	3,549	25 70
4 Petroleum products.....	4,892	24 75
5 Automobile supplies.....	5,180	24 63
6 Breweries.....	3,342	24 47
7 Central Electric Stations.....	15,389	23 95
8 Clothing, factory, men's.....	3,476	23 86
9 Clothing, factory, women's.....	4,963	23 51
10 Pulp and paper.....	24,114	23 09
11 Sugar refineries.....	2,400	22 96
12 Printing and bookbinding.....	6,318	22 73
13 Railway rolling stock.....	15,767	22 67
14 Primary iron and steel.....	8,083	22 00
15 Medicinal and pharmaceutical preparations.....	1,007	21 78
16 Rubber goods, including footwear.....	7,246	21 71
17 Paints, pigments and varnishes.....	1,735	21 70
18 Castings and forgings.....	12,174	21 57
19 Slaughtering and meatpacking.....	7,112	21 44
20 Coffee, tea and spices.....	680	21 22
21 Machinery.....	6,128	21 14
22 Electrical apparatus and supplies.....	8,580	21 09
23 Butter and cheese.....	7,655	21 04
24 Artificial silk.....	2,599	20 32
25 Non-ferrous metal and smelting and refining.....	804	20 16
26 Boxes and bags, paper.....	2,736	20 16
27 Sheet metal products.....	5,369	19 68
28 Hosiery and knitted goods.....	6,001	19 67
29 Brass and copper products.....	3,072	19 63
30 Tobacco, cigars and cigarettes.....	2,605	18 94
31 Flour and feed mills.....	4,096	18 91
32 Bread and other bakery products.....	13,449	18 30
33 Leather tanneries.....	3,443	17 94
34 Biscuits, confectionery, cocoa, etc.....	3,797	17 75
35 Furnishing goods, men's.....	948	17 42
36 Woollen yarn and cloth.....	4,953	17 29
37 Boots and shoes, leather.....	9,876	16 73
38 Cotton yarn and cloth.....	12,587	16 15
39 Fruit and vegetable preparations.....	7,028	15 05
40 Silk.....	2,537	15 02
41 Sawmills.....	17,798	12 67
42 Fish canning and curing.....	4,330	11 90

SOURCE.—Census of Industry Returns, Dominion Bureau of Statistics.

TABLE 2.—PRINCIPAL INDUSTRIES ARRANGED ACCORDING TO AVERAGE WEEKLY WAGES OF WAGE EARNERS, 1934

CANADA

	Females	
	Number	Average Weekly Earnings
		\$ cts.
1 Automobiles.....	339	20 52
2 Railway rolling stock.....	26	17 38
3 Petroleum products.....	2	17 00
4 Coke and gas products.....	3	15 50
5 Breweries.....	37	14 55
6 Central electric stations.....	176	14 35
7 Automobile supplies.....	655	14 08
8 Machinery.....	106	13 94
9 Paints, pigments and varnishes.....	162	13 86
10 Electrical apparatus and supplies.....	3,042	13 29
11 Clothing, factory, women's.....	12,721	13 22
12 Printing and bookbinding.....	2,636	12 91
13 Hosiery and knitted goods.....	11,084	12 86
14 Artificial silk.....	1,209	12 67
15 Clothing, factory, men's.....	3,343	12 60
16 Woollen, yarn and cloth.....	3,916	12 30
17 Rubber goods, including footwear.....	3,069	12 26
18 Cotton yarn and cloth.....	7,114	12 21
19 Printing and publishing.....	1,042	12 17
20 Flour and feed mills.....	176	12 10
21 Medicinal and pharmaceutical preparations.....	1,300	12 08
22 Butter and cheese.....	480	11 92
23 Slaughtering and meatpacking.....	827	11 79
24 Leather tanneries.....	118	11 75
25 Tobacco, cigars and cigarettes.....	4,937	11 59
26 Boots and shoes, leather.....	6,177	11 54
27 Castings and forgings.....	144	11 54
28 Sawmills.....	128	11 52
29 Furnishing goods, men's.....	5,468	11 42
30 Biscuits, confectionery, cocoa, etc.....	5,484	11 27
31 Coffee, tea and spices.....	569	11 19
32 Silk.....	2,252	10 93
33 Brass and copper products.....	280	10 88
34 Pulp and paper.....	592	10 65
35 Bread and other bakery products.....	1,808	10 65
36 Sugar refineries.....	82	10 26
37 Primary iron and steel.....	24	10 00
38 Boxes and bags, paper.....	3,034	9 94
39 Sheet metal products.....	1,350	9 85
40 Fruit and vegetable preparations.....	9,247	8 95
41 Fish canning and curing.....	3,030	6 77

SOURCE.—Census of Industry Returns, Dominion Bureau of Statistics.

EXHIBIT NO. 1288

TABLE 3.—PRINCIPAL INDUSTRIES ARRANGED ACCORDING TO AVERAGE WEEKLY WAGES OF WAGE EARNERS, 1934

QUEBEC

	Males	
	Number	Average Weekly Earnings
		\$ cts.
1 Coke and gas products.....	372	26 84
2 Printing and publishing.....	1,413	25 12
3 Petroleum products.....	1,147	24 90
4 Breweries.....	1,232	24 90
5 Central electric stations.....	2,152	24 34
6 Railway rolling stock.....	6,935	23 99
7 Clothing, factory, women's.....	2,293	22 98
8 Paints, pigments and varnishes.....	643	22 64
9 Pulp and paper.....	12,966	22 38
10 Electrical apparatus and supplies.....	1,933	22 25
11 Coffee, tea and spices.....	161	21 29
12 Clothing, factory, men's.....	1,705	21 18
13 Machinery.....	2,073	21 09
14 Butter and cheese.....	1,445	20 23
15 Non-ferrous metal smelting and refining.....	804	20 16
16 Sheet metal products.....	1,546	20 01
17 Medicinal and pharmaceutical preparations.....	323	19 76
18 Castings and forgings.....	2,497	19 36
19 Printing and bookbinding.....	1,900	19 35
20 Brass and copper products.....	883	18 84
21 Artificial silk.....	1,638	18 62
22 Slaughtering and meatpacking.....	1,272	18 51
23 Boxes and bags, paper.....	915	18 19
24 Hosiery and knitted goods.....	1,977	18 10
25 Automobile supplies.....	51	18 02
26 Tobacco, cigars and cigarettes.....	2,109	17 87
27 Rubber goods, including footwear.....	1,749	17 15
28 Primary iron and steel.....	1,547	16 96
29 Bread and other bakery products.....	3,916	16 26
30 Furnishing goods, men's.....	359	15 81
31 Flour and feed mills.....	589	15 80
32 Cotton yarn and cloth.....	8,637	15 61
33 Boots and shoes, leather.....	6,254	15 58
34 Biscuits, confectionery, cocoa, etc.....	1,433	15 45
35 Leather tanneries.....	484	15 10
36 Broad silk.....	2,103	14 30
37 Woollen yarn and cloth.....	1,271	14 23
38 Fruit and vegetable preparations.....	1,380	13 06
39 Sawmills.....	382	12 44
40 Fish canning and curing.....	699	10 58

SOURCE.—Census of Industry Returns, Dominion Bureau of Statistics.

TABLE 4.—PRINCIPAL INDUSTRIES ARRANGED ACCORDING TO AVERAGE WEEKLY WAGES OF WAGE EARNERS, 1934

QUEBEC

		Females	
		Number	Average Weekly Earnings
			\$ cts.
1	Central electric stations.....	1	21 50
2	Breweries.....	18	17 78
3	Railway rolling stock.....	26	17 38
4	Paints, pigments and varnishes.....	74	14 66
5	Electrical apparatus and supplies.....	568	14 25
6	Machinery.....	77	14 01
7	Artificial silk.....	592	12 75
8	Clothing, factory, women's.....	7,849	12 53
9	Hosiery and knitted goods.....	2,764	12 00
10	Cotton yarn and cloth.....	4,702	11 80
11	Clothing, factory, men's.....	1,624	11 74
12	Printing and bookbinding.....	652	11 58
13	Flour and feed mills.....	1	11 50
14	Butter and cheese.....	17	11 50
15	Tobacco, cigars and cigarettes.....	3,943	11 32
16	Leather tanneries.....	15	11 30
17	Primary, iron and steel.....	5	11 30
18	Woollen yarn and cloth.....	905	11 23
19	Rubber goods, including footwear.....	1,074	10 60
20	Boots and shoes, leather.....	4,054	10 41
21	Slaughtering and meatpacking.....	189	10 34
22	Bread and other bakery products.....	281	10 25
23	Broad silk.....	1,623	10 24
24	Castings and forgings.....	49	10 19
25	Furnishing goods, men's.....	2,253	10 14
26	Medicinal and pharmaceutical preparations.....	458	10 00
27	Brass and copper products.....	100	9 95
28	Coffee, tea and spices.....	125	9 83
29	Biscuits, confectionery, cocoa, etc.....	1,567	9 78
30	Printing and publishing.....	324	9 39
31	Pulp and paper.....	336	9 21
32	Sheet metal products.....	829	8 49
33	Fruit and vegetable preparations.....	2,539	7 43
34	Boxes and bags, paper.....	1,620	7 34
35	Fish canning and curing.....	331	4 72

SOURCE.—Census of Industry Returns, Dominion Bureau of Statistics.

EXHIBIT No. 1289.

TABLE 5.—PRINCIPAL INDUSTRIES ARRANGED ACCORDING TO AVERAGE WEEKLY WAGES OF WAGE EARNERS, 1934

ONTARIO

	Males	
	Number	Average Weekly Earnings
		\$ cts.
1 Automobiles.....	10,116	34 05
2 Printing and publishing.....	3,571	28 21
3 Clothing, factory, men's.....	1,681	26 88
4 Coke and gas products.....	1,609	25 19
5 Breweries.....	1,348	25 06
6 Pulp and paper.....	8,102	25 03
7 Central electric stations.....	6,388	24 91
8 Clothing, factory, women's.....	2,367	24 81
9 Automobile supplies.....	5,068	24 73
10 Petroleum products.....	1,912	24 59
11 Printing and bookbinding.....	3,128	23 91
12 Tobacco, cigars and cigarettes.....	473	23 77
13 Primary iron and steel.....	4,668	23 76
14 Medicinal and pharmaceutical preparations.....	618	23 25
15 Artificial silk.....	961	23 24
16 Rubber goods, including footwear.....	5,479	23 17
17 Castings and forgings.....	8,290	22 43
18 Slaughtering and meatpacking.....	2,897	22 04
19 Coffee, tea and spices.....	371	21 80
20 Boxes and bags, paper.....	1,652	21 24
21 Railway rolling stock.....	2,212	21 19
22 Machinery.....	3,845	21 19
23 Paints, pigments and varnishes.....	970	21 11
24 Hosiery and knitted goods.....	3,658	20 85
25 Electrical apparatus and supplies.....	6,506	20 81
26 Butter and cheese.....	3,912	20 78
27 Brass and copper products.....	1,910	20 40
28 Bread and other bakery products.....	6,408	19 75
29 Sheet metal products.....	3,069	19 70
30 Woollen yarn and cloth.....	3,565	19 53
31 Biscuits, confectionery, cocoa, etc.....	1,532	19 53
32 Boots and shoes, leather.....	3,241	19 22
33 Leather tanneries.....	2,906	18 47
34 Broad silk.....	434	18 40
35 Flour and feed mills.....	2,057	18 24
36 Furnishing goods, men's.....	437	18 14
37 Cotton yarn and cloth.....	3,075	17 26
38 Fruit and vegetable preparations.....	5,173	15 87
39 Sawmills.....	8,644	13 46

SOURCE.—Census of Industry Returns, Dominion Bureau of Statistics.

TABLE 6.—PRINCIPAL INDUSTRIES ARRANGED ACCORDING TO AVERAGE WEEKLY WAGES OF WAGE EARNERS, 1934

ONTARIO

		Females	
		Number	Average Weekly Earnings
			\$ cts.
1	Automobiles.....	339	20 52
2	Primary iron and steel.....	4	15 75
3	Petroleum products.....	1	15 50
4	Clothing, factory, women's.....	4,357	14 59
5	Central electric stations.....	156	14 38
6	Printing and publishing.....	495	14 27
7	Machinery.....	27	14 20
8	Automobile supplies.....	653	14 09
9	Boots and shoes, leather.....	1,943	14 04
10	Clothing, factory, men's.....	1,486	13 87
11	Printing and bookbinding.....	1,282	13 55
12	Hosiery and knitted goods.....	7,579	13 31
13	Medicinal and pharmaceutical preparations.....	796	13 22
14	Boxes and bags, paper.....	1,249	13 21
15	Rubber goods, including footwear.....	1,995	13 15
16	Cotton yarn and cloth.....	1,840	13 13
17	Electrical apparatus and supplies.....	2,467	13 06
18	Paints, pigments and varnishes.....	75	12 99
19	Broad silk.....	629	12 72
20	Slaughtering and meatpacking.....	311	12 66
21	Furnishing goods, men's.....	2,182	12 64
22	Tobacco, cigars and cigarettes.....	993	12 63
23	Artificial silk.....	617	12 60
24	Woollen yarn and cloth.....	2,924	12 55
25	Pulp and paper.....	256	12 55
26	Coffee, tea and spices.....	206	12 51
27	Biscuits, confectionery, cocoa, etc.....	2,429	12 45
28	Castings and forgings.....	90	12 43
29	Flour and feed mills.....	127	12 40
30	Sawmills.....	63	12 37
31	Breweries.....	8	12 12
32	Sheet metal products.....	461	11 97
33	Leather tanneries.....	98	11 89
34	Brass and copper products.....	166	11 78
35	Butter and cheese.....	207	11 03
36	Bread and other bakery products.....	954	10 91
37	Fruit and vegetable preparations.....	6,041	9 75

SOURCE.—Census of Industry Returns, Dominion Bureau of Statistics.

EXHIBIT No. 1285 PT.

TABLE 7.—CUMULATIVE PERCENTAGE DISTRIBUTION OF MALE EMPLOYEES ACCORDING TO AVERAGE HOURLY EARNINGS IN COTTON TEXTILE MILLS

Average Hourly Earnings	UNITED STATES (a)					CANADA, FEBRUARY, 1936 (b)			
	North and South, 1930	North		South		Maritimes	Quebec	Ontario	Total
		July, 1933	Aug., 1934	July, 1933	Aug., 1934				
		%	%	%	%				
Less than 12.5 cents*	0.3	1.4	.....	8.3	.....	.....	0.3	.....	0.2
" 17.5 " *	2.8	6.0	.....	35.0	.....	1.1	13.4	2.2	10.1
" 22.5 " *	14.8	22.3	0.2	64.0	0.6	7.4	30.7	9.2	24.3
" 27.5 " *	35.0	46.1	1.0	81.5	7.6	27.9	58.2	29.8	49.7
" 30.0 " *	42.4	58.8	2.1	86.0	8.3	40.1	68.1	45.9	61.2
" 32.5 " *	51.4	66.8	3.2	91.3	44.0	57.0	74.8	63.9	71.2
" 35.0 " *	58.7	74.0	22.8	94.7	54.9	66.3	80.2	72.2	77.4
" 40.0 " *	72.4	83.5	42.1	97.6	70.9	74.2	88.4	81.9	86.0
" 45.0 " *	82.4	89.8	58.7	98.7	82.7	82.4	94.3	87.9	92.1
" 50.0 " *	88.1	95.4	70.3	99.1	91.6	91.3	97.8	94.9	96.7
" 60.0 " *	96.1	98.6	85.2	99.5	97.5	98.4	99.1	98.4	98.9
" 70.0 " *	98.9	99.5	96.1	99.8	99.0	99.5	99.4	99.2	99.3

* In 1930—Less than 12 cents.

Less than 17 cents.

Less than 22 cents.

(a) From Bulletin 539 and Exhibit 442, Textile Report, U.S. Department of Labor.

(b) From Payrolls submitted to the Commission.

EXHIBIT No. 1285 PT.

TABLE 8.—CUMULATIVE PERCENTAGE DISTRIBUTION OF FEMALE EMPLOYEES ACCORDING TO AVERAGE HOURLY EARNINGS IN COTTON TEXTILE MILLS

Average Hourly Earnings	UNITED STATES (a)					CANADA, FEBRUARY, 1936 (b)			
	North and South, 1930	North		South		Maritimes	Quebec	Ontario	Total
		July, 1933	Aug., 1934	July, 1933	Aug., 1934				
		%	%	%	%				
Less than 12.5 cents*	1.8	3.8	.....	21.4	.....	.....	0.1	.....	.....
" 17.5 " *	8.5	13.0	.....	61.7	.....	.....	7.1	15.4	11.3
" 22.5 " *	25.6	46.4	0.6	87.9	0.5	36.6	45.3	16.8	37.7
" 27.5 " *	49.4	74.1	1.5	94.3	3.5	64.6	80.1	63.9	74.9
" 30.0 " *	58.5	84.1	1.8	95.5	4.0	79.3	88.1	80.7	85.6
" 32.5 " *	66.9	90.0	3.8	98.2	58.1	88.4	94.0	89.1	92.3
" 35.0 " *	74.2	93.8	38.3	99.2	75.4	93.7	96.8	94.3	95.9
" 40.0 " *	85.8	97.2	68.8	99.6	91.1	98.7	99.0	98.9	99.0
" 45.0 " *	93.0	98.9	85.2	99.8	96.7	99.6	99.7	99.7	99.7
" 50.0 " *	96.3	99.5	91.0	99.9	98.6	99.8	99.8	99.8	99.8
" 60.0 " *	99.2	99.8	99.0	99.9	99.7	100.0	99.9	99.9	99.9
" 70.0 " *	99.8	99.9	99.8	99.9	99.9	.....	100.0	.....	100.0

* In 1930—Less than 12 cents.

Less than 17 cents.

Less than 22 cents.

(a) From Bulletin 539 and Exhibit 442, Textile Report, U.S. Department of Labor.

(b) From Payrolls submitted to the Commission.

TABLE 9.—COTTON FIRMS ARRANGED ACCORDING TO AVERAGE (MEDIAN)
HOURLY EARNINGS, FEBRUARY, 1936

MALES	Cents per Hour	FEMALES	Cents per Hour
Cosmos Imperial Mills Ltd. (Hamilton Mill).....	36·7	Cosmos Imperial Mills Ltd. (Hamilton Mill).....	32·2
Dominion Fabrics Limited.....	34·9	Canadian Cottons Limited (Hamilton Mill).....	27·3
Hamilton Cotton Co. Ltd.....	33·0	Hamilton Cotton Co. Ltd.....	27·3
Dominion Yarns Ltd.....	32·0	Dominion Textile Co. Ltd. (Montreal Mills).....	25·6
Canadian Cottons Ltd. (Hamilton Mill).....	31·5	Canadian Cottons Ltd. (Cornwall Mills).....	25·0
Canadian Cottons Ltd. (Cornwall Mills).....	30·5	Dominion Fabrics Limited.....	24·9
Dominion Textile Co. Ltd. (Montreal Mills).....	27·6	Goodyear Cotton Co. Ltd.....	24·7
Empire Cottons Ltd.....	27·0	Dominion Yarns Ltd.....	24·0
Wabasso Cotton Co. Ltd.....	27·0	Wabasso Cotton Co. Ltd.....	23·5
Dominion Textile Co. Ltd. (Outside Mills).....	25·4	Empire Cottons Ltd.....	23·4
Goodyear Cotton Co. Ltd.....	25·3	Dominion Textile Co. Ltd. (Outside Mills).....	22·3
Trent Cotton Company Ltd.....	25·0	Montreal Cottons Ltd.....	21·0
Montreal Cottons Ltd.....	25·0	Trent Cotton Co. Ltd.....	20·5
Quebec (all mills).....	25·8	Quebec (all mills).....	23·1
Ontario (all mills).....	30·5	Ontario (all mills).....	25·5

(Prepared from Exhibits Nos. 1247 and 1248).

TABLE 10.—DISTRIBUTION OF EMPLOYEES ACCORDING TO EARNINGS IN PAY PERIOD, FEBRUARY, 1936, TWO WEEK PAYROLLS

Average earnings	Males ⁽¹⁾						Females ⁽¹⁾					
	Cotton			Silk			Cotton			Silk		
	Quebec		Ontario	Quebec		Ontario	Quebec		Ontario	Quebec		Ontario
	%	Cum. %		%	Cum. %		%	Cum. %		%	Cum. %	
1 Under \$6.	0.7	0.7	.....	0.4	0.7	0.7	0.8	0.8	.....	0.3	0.3	.....
2 \$6-7.	0.3	1.0	.....	0.2	0.6	.....	0.8	1.6	.....	0.1	0.4	.....
3 7-8.	0.5	1.5	.....	0.9	1.5	.....	0.9	2.5	.....	0.7	1.1	.....
4 8-9.	0.8	2.3	.....	1.4	2.9	.....	1.4	3.9	.....	1.3	2.4	.....
5 9-10.	0.8	3.1	.....	1.9	4.8	.....	1.9	5.8	.....	2.0	4.4	.....
6 10-11.	2.0	5.1	.....	2.5	7.3	.....	4.5	10.3	.....	3.2	7.6	.....
7 11-12.	1.6	6.7	.....	3.3	10.6	.....	2.3	12.6	.....	0.5	8.1	.....
8 12-13.	2.4	9.1	.....	3.4	14.0	.....	3.0	15.6	.....	0.5	8.6	.....
9 13-14.	2.9	12.0	.....	4.0	18.0	.....	4.5	20.1	.....	1.0	9.6	.....
10 14-16.	5.6	17.6	.....	6.2	24.2	.....	9.4	29.5	.....	1.8	11.4	.....
11 16-18.	7.3	24.9	.....	7.5	31.7	.....	9.5	39.0	.....	6.1	17.5	.....
12 18-20.	8.1	33.0	.....	6.1	37.8	.....	13.9	52.9	.....	12.6	30.7	.....
13 20-22.	7.5	40.5	.....	6.4	44.2	.....	13.6	66.5	.....	9.6	40.3	.....
14 22-25.	11.1	51.6	.....	15.5	59.7	.....	16.2	82.7	.....	11.1	51.4	.....
15 25-30.	17.8	69.4	.....	48.7	108.4	.....	12.6	95.3	.....	33.6	85.0	.....
16 30-35.	11.4	80.8	.....	10.7	119.1	.....	3.0	98.3	.....	39.2	124.2	.....
17 35-40.	7.1	87.9	.....	6.8	125.9	.....	1.1	99.4	.....	11.3	135.5	.....
18 40-50.	7.9	95.8	.....	6.5	132.4	.....	0.5	100.0	.....	97.4	232.9	.....
19 \$50 and over.	4.2	.....	.....	6.2	.....	.....	0.1	.....	.....	0.7	100.0	.....

(1) Including only employees working in both weeks but not necessarily working full time.

(Prepared from Exhibits 1250, 1252, 1257 and 1258).

TABLE 11.—DISTRIBUTION OF EMPLOYEES ACCORDING TO EARNINGS IN PAY PERIOD, FEBRUARY, 1936—ONE WEEK PAYROLLS

Average earnings	Males						Females					
	Cotton			Silk			Cotton			Silk		
	Quebec		Ontario	Quebec		Ontario	Quebec		Ontario	Quebec		Ontario
	%	Cum. %	%	%	Cum. %	%	%	Cum. %	%	%	Cum. %	%
1 Under \$6.....	2.4	2.4	3.0	6.6	6.6	4.7	1.5	1.5	3.6	17.2	17.2	3.9
2 \$6-7.....	1.8	4.2	2.5	3.3	9.9	6.1	4.3	5.8	0.7	6.4	23.6	1.3
3 7-8.....	1.8	6.0	3.6	7.1	17.0	7.5	1.4	7.2	1.8	9.5	33.1	2.2
4 8-9.....	2.9	8.9	5.0	2.7	19.7	12.2	5.0	12.2	4.6	5.1	38.2	1.3
5 9-10.....	6.4	15.3	2.3	1.6	21.3	15.0	4.4	16.6	7.2	11.5	49.7	8.2
6 10-11.....	3.5	18.8	5.4	2.7	24.0	18.7	8.6	25.2	10.3	14.6	64.3	5.2
7 11-12.....	5.7	24.5	5.0	26.8	31.1	23.8	12.2	37.4	14.5	42.7	77.7	17.3
8 12-13.....	12.4	36.9	5.9	32.7	4.4	30.3	12.2	49.6	12.8	55.5	84.7	21.6
9 13-14.....	9.7	46.6	5.7	38.4	3.3	34.0	15.1	64.7	12.5	67.0	87.9	11.3
10 14-16.....	17.4	64.0	17.1	11.5	50.3	46.1	25.9	90.6	20.2	88.2	94.3	11.7
11 16-18.....	10.6	74.6	14.3	10.4	60.7	56.4	8.6	99.2	7.4	95.6	97.5	8.2
12 18-20.....	11.5	86.1	9.2	13.1	73.8	68.1	0.8	100.0	2.8	98.4	98.1	3.5
13 20-22.....	6.4	92.5	7.3	4.9	78.7	75.6	0.6	100.0	0.6	99.0	99.4	1.3
14 22-25.....	4.6	97.1	7.0	86.8	8.2	80.3	0.8	100.0	0.8	99.8	100.0	0.4
15 25-30.....	2.5	99.6	4.3	93.8	6.0	89.2	0.1	100.0	0.1	99.9	100.0	1.7
16 30-35.....	0.2	99.8	1.3	99.4	4.9	97.8	0.1	100.0	0.1	100.0	100.0	0.9
17 35-40.....	0.2	100.0	0.2	99.6	98.4	96.6	0.1	100.0	0.1	100.0	100.0	0.9
18 40-50.....	.....	.....	0.4	100.0	100.0	99.5	.....	.....	.....	.....	.....	.....
19 \$50 and over.....	.....	.....	.....	1.6	.....	0.5	.....	.....	.....	.....	.....	.....

(Prepared from Exhibits 1249, 1251, 1255 and 1256).

EXHIBIT No. 1301.

TABLE 12.—AVERAGE HOURLY EARNINGS FOR SELECTED OCCUPATIONS IN THE COTTON MILLS OF QUEBEC, 1926, 1930, 1934 and 1936

Occupation	1926	1930	1934	1936
	Cents	Cents	Cents	Cents
MALE				
Picker tenders.....	28.7	28.3	26.5	26.5
Card tenders and strippers.....	28.4	29.1	27.0	27.5
Speeder tenders.....	26.0	26.8	27.4	28.8
Spinners, frame.....	30.7	30.6	24.5	24.5
Winder tenders.....	25.3	24.3	21.1	23.8
Weavers.....	33.5	36.1	27.0	30.5
Loom fixers.....	45.8	46.3	41.9	41.7
Battery hands.....	15.6	18.2	15.0	17.3
Doffers.....	17.8	19.2	17.4	19.5
Average for selected occupations (1).....	28.7	29.0	25.7	26.7
Dominion Textile Co, Limited.....	28.9	30.0	26.8	26.9
Montreal Mills.....	31.0	31.6	27.8	29.4
Outside Mills.....	26.9	28.0	25.6	25.9
Montreal Cottons Limited.....	28.5	30.2	26.6	26.4
Wabasso Cotton Company Ltd.....			23.2	26.6
Goodyear Cotton Company Ltd.....		26.1	24.0	27.1
FEMALE				
Drawing frame tenders.....	22.5	22.0	22.8	25.6
Slubber tenders.....	27.0	22.4	23.9	26.6
Speeder tenders.....	24.9	23.5	26.4	27.2
Spinners, frame.....	24.3	24.4	22.9	25.6
Winder tenders.....	21.1	23.0	21.4	23.3
Weavers.....	27.7	27.0	25.8	30.6
Drawing-in-hands.....	25.0	26.9	23.6	24.8
Battery hands.....	14.6	16.3	16.3	18.0
Trimmers and inspectors.....	18.8	20.6	19.5	23.4
Average for selected occupations (1).....	22.5	22.8	21.9	24.0
Dominion Textile Co, Ltd.....	22.8	23.5	22.4	25.2
Montreal Mills.....	24.0	24.5	23.2	26.9
Outside Mills.....	19.7	21.7	20.2	23.1
Montreal Cottons Limited.....	20.7	20.7	20.7	22.3
Wabasso Cotton Co. Ltd.....			21.6	25.5
Goodyear Cotton Company Ltd.....		21.5	21.9	25.4

(1) Including occupations other than those listed.

NOTE.—Prepared from payrolls filed with the Commission.

TABLE 13.—AVERAGE HOURLY EARNINGS FOR SELECTED OCCUPATIONS IN THE COTTON MILLS OF ONTARIO 1926, 1930, 1934 and 1936

Occupation	1926	1930	1934	1936
	cents	cents	cents	cents
MALE				
Picker tenders.....	33.3	31.9	28.6	30.1
Card tenders and strippers.....	31.1	33.6	29.8	30.6
Speeder tenders.....	31.8	37.9	26.6	28.7
Spinners, frame.....	29.0	30.5	23.7	27.0
Winder tenders.....	22.8	32.2	25.0	27.2
Weavers.....	31.3	37.3	31.1	32.4
Loom fixers.....	47.7	52.2	44.0	44.9
Battery hands.....	24.8	22.0	22.4	24.4
Doffers.....	25.2	27.6	26.7	28.3
Average for selected occupations ⁽¹⁾	31.5	35.5	28.8	31.1
Canadian Cottons Limited.....	32.2	35.2	30.5	32.4
Cornwall Mills.....	31.6	35.2	29.6	33.2
Hamilton Mill.....	34.2	35.2	34.4	34.5
Cosmos Imperial Limited.....		43.5	34.5	37.2
Dominion Fabrics Limited.....			34.9	37.1
Dominion Yarns Limited.....		39.8	32.5	33.0
Empire Cottons Limited.....	30.0	34.2	25.9	28.3
Hamilton Cottons Limited.....		35.9	32.4	33.2
Trent Cottons Limited.....		21.0	24.3	25.1
FEMALE				
Drawing frame tenders.....	24.2	25.0	24.2	26.1
Slubber tenders.....	26.9	30.7	27.3	28.0
Speeder tenders.....	28.1	26.8	27.4	27.2
Spinners, frame.....	24.6	25.8	25.4	26.7
Winder tenders.....	25.4	25.5	24.2	26.5
Weavers.....	28.8	32.6	27.4	29.3
Drawing-in-hands.....	29.4	28.5	27.9	28.1
Battery hands.....	20.1	24.5	22.7	24.6
Trimmers and inspectors.....	22.6	23.3	21.8	24.6
Average for selected occupations ⁽¹⁾	25.4	26.7	25.1	26.6
Canadian Cottons Limited.....	25.8	27.3	25.7	27.4
Cornwall Mills.....	24.8	25.8	24.5	26.4
Hamilton Mill.....	26.5	28.1	26.7	28.2
Cosmos Imperial Limited.....		33.1	30.5	31.7
Dominion Fabrics Limited.....			26.2	27.3
Dominion Yarns Limited.....		26.4	22.9	25.1
Empire Cottons Limited.....	24.6	27.4	21.2	24.4
Hamilton Cottons Limited.....		27.4	27.3	28.2
Trent Cottons Limited.....		16.6	20.1	21.0

⁽¹⁾ Including occupations other than those listed.

NOTE.—Prepared from payrolls filed with the Commission.

EXHIBIT No. 1302.

TABLE 14.—AVERAGE HOURLY EARNINGS BY OCCUPATIONS IN THE COTTON MILLS OF NEW ENGLAND AND THE SOUTHERN STATES

(ATLANTIC SEABOARD)

NEW ENGLAND

Occupation	1926	1930	July, 1933	August, 1934
MALE	Cents	Cents	Cents	Cents
Loom fixers.....	62.4	58.5	46.3	64.9
Card grinders.....	50.7	47.8	34.2	50.4
Weavers.....	46.7	46.2	29.9	44.2
Slubber tenders.....	49.8	46.6	30.8	49.1
Speeder tenders.....	46.5	45.2	29.6	45.5
Card tenders.....	41.6	40.2	28.8	41.7
Doffers.....	39.9	38.6	27.0	43.8
Picker tenders.....	38.4	36.2	28.6	41.0
Drawing-frame tenders.....	35.5	35.1	25.9	39.2
FEMALE				
Weavers.....	42.8	42.6	28.0	43.5
Drawing-in-hand.....	42.3	40.6	33.6	43.1
Speeder tenders.....	39.5	36.3	24.9	40.4
Spinners, frame.....	37.0	34.9	23.6	37.8
Drawers-frame tenders.....	31.7	32.4	24.0	35.4
Spooler tenders.....	31.8	29.2	22.3	38.0
Trimmers and inspectors.....	27.9	27.9	21.4	33.5

SOUTHERN STATES (ATLANTIC SEABOARD) AND ALABAMA

Occupation	1926	1930	July, 1933	August, 1934
MALE	Cents	Cents	Cents	Cents
Loom fixers.....	39.5	42.0	32.3	50.7
Card grinders.....	35.4	36.2	27.1	44.4
Weavers.....	33.2	34.9	23.8	40.3
Slubber tenders.....	31.2	32.1	21.1	37.4
Speeder tenders.....	31.3	32.0	21.5	36.7
Card tenders.....	25.3	26.4	19.1	32.5
Doffers.....	27.4	28.7	19.6	35.0
Picker tenders.....	24.4	23.9	17.1	31.3
Drawing-frame tenders.....	25.8	26.1	19.2	33.7
FEMALE				
Weavers.....	29.8	31.9	21.5	38.4
Drawers-in-hand.....	27.7	29.8	23.0	39.4
Speeder tenders.....	27.5	28.3	19.6	35.3
Spinners, frame.....	22.2	22.5	16.2	32.0
Drawing-frame tenders.....	19.8	21.3	15.4	30.8
Spooler tenders.....	20.6	22.7	16.1	33.3
Trimmers and inspectors.....	20.2	20.9	15.9	31.0

Taken from the "Monthly Labor Review" (May, 1935), of the Bureau of Labor Statistics, Department of Labor, U.S.A.

TABLE 15.—AVERAGE WEEKLY EARNINGS FOR SELECTED OCCUPATIONS IN COTTON MILLS IN QUEBEC 1926, 1930, 1934 and 1936

Occupation	1926	1930	1934	1936
MALES				
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Picker tenders.....	14 04	11 61	11 01	11 45
Card tenders and strippers.....	12 67	11 91	10 46	12 36
Speeder tenders.....	10 57	11 25	14 34	12 80
Spinners(frame).....	11 47	11 52	9 38	10 85
Winder tenders.....	13 49	12 10	7 21	10 38
Weavers.....	14 32	13 04	13 12	13 52
Loom fixers.....	19 65	21 08	20 22	19 46
Battery hands.....	6 16	6 00	7 11	7 59
Doffers.....	6 59	7 14	6 45	7 94
Average for selected occupations(1).....	12 37	11 70	10 77	11 57
Dominion Textile Company Ltd.....	11 71	11 42	9 08	10 78
Montreal Mills.....	12 25	12 25	10 86	12 14
Outside Mills.....	11 39	10 44	7 20	10 28
Goodyear Cotton Co. Ltd.....		14 55	13 29	14 97
Montreal Cottons Ltd.....	14 32	11 74	9 87	11 40
Wabasso Cottons Ltd.....			12 65	11 74
FEMALES				
Drawing frame tenders.....	9 17	8 56	9 00	9 58
Slubber tenders.....	8 35	7 89	8 49	10 47
Speeder tenders.....	9 34	8 96	11 91	10 39
Spinners (frame).....	9 57	9 29	8 88	9 55
Winder tenders.....	9 41	8 46	7 65	8 81
Weavers.....	13 58	12 16	12 43	13 55
Drawing-in-hands.....	12 12	12 18	9 91	9 20
Battery hands.....	6 22	6 87	7 18	7 52
Doffers.....	5 08	5 32	5 87	7 58
Trimmers and inspectors.....	10 06	8 76	8 33	9 80
Average for selected occupations(1).....	9 62	8 92	8 83	9 57
Dominion Textile Co. Ltd.....	9 26	8 95	8 07	9 24
Montreal Mills.....	9 69	9 16	8 84	9 84
Outside Mills.....	8 01	8 55	6 39	8 40
Goodyear Cottons Co. Ltd.....		10 70	11 07	12 56
Montreal Cottons Ltd.....	11 01	8 63	9 82	9 75
Wabasso Cottons Ltd.....			11 01	9 93

(1) Including occupations other than specified.

NOTE.—Prepared from February Payrolls submitted to the Commission.

TABLE 16.—AVERAGE WEEKLY EARNINGS FOR SELECTED OCCUPATIONS IN COTTON MILLS IN ONTARIO 1926, 1930, 1934 and 1936

Occupation	1926	1930	1934	1936
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
MALES				
Picker tenders.....	17 00	15 33	15 01	15 67
Card tenders and strippers.....	15 14	16 14	15 09	14 35
Speeder tenders.....	13 12	17 89	15 58	13 84
Spinners (frame).....	17 15	16 00	12 68	12 24
Winder tenders.....	10 20	14 77	11 74	12 30
Weavers.....	14 11	16 76	13 71	15 68
Loom fixers.....	22 38	20 94	21 89	20 97
Battery hands.....	10 85	9 21	10 37	10 19
Doffers.....	11 40	12 89	12 44	12 59
Average for selected occupations (1).....	14 53	16 33	14 11	14 69
Canadian Cottons Ltd.....	13 94	13 80	14 20	14 01
Cornwall Mills.....	13 23	13 49	14 14	13 96
Hamilton Mill.....	16 95	17 20	17 61	14 41
Cosmos Imperial Ltd.....		22 55	13 85	18 31
Dominion Fabrics Ltd.....	19 50	21 33	17 68	21 02
Dominion Yarns Ltd.....		19 06	17 44	17 40
Empire Cottons Ltd.....	15 11	16 67	13 49	14 23
Hamilton Cottons Ltd.....		18 98	12 13	15 07
Trent Cottons Ltd.....		9 71	13 67	12 82
FEMALES				
Drawing frame tenders.....	10 77	11 79	11 10	12 41
Slubber tenders.....	12 50	14 22	14 09	14 06
Speeder tenders.....	13 76	13 36	13 72	14 06
Spinners (frame).....	11 43	12 50	11 60	12 35
Winder tenders.....	12 01	12 74	11 09	12 09
Weavers.....	13 85	15 20	12 66	12 69
Drawing-in-hands.....	15 38	15 44	12 16	13 29
Battery hands.....	8 12	9 44	9 76	10 23
Doffers.....	9 12	10 48	11 81	11 60
Trimmmers and inspectors.....	11 75	10 70	11 30	11 59
Average for selected occupations (1).....	11 98	12 73	11 79	12 13
Canadian Cottons Limited.....	11 66	12 63	11 94	12 67
Cornwall Mills.....	10 03	10 01	10 75	12 02
Hamilton Mill.....	13 32	14 63	12 96	13 26
Cosmos Imperial Limited.....		15 48	10 88	15 30
Dominion Fabrics Limited.....			11 57	13 54
Dominion Yarns Limited.....		11 98	11 84	11 67
Empire Cottons Limited.....	12 94	12 62	10 84	11 43
Hamilton Cottons Ltd.....		12 29	12 93	12 14
Trent Cottons Limited.....		8 08	10 06	11 00

(1) Including occupations other than specified.

NOTE.—Prepared from February Payrolls submitted to the Commission.

TABLE 17.—AVERAGE EARNINGS IN COTTON GOODS MANUFACTURING

	AVERAGE ANNUAL EARNINGS		HOURLY EARNINGS		WEEKLY EARNINGS	
	Dominion Textile Co. Grey Mills	United States	Dominion Textile Co.	United States	Dominion Textile Co.	United States
	\$	\$	Cents	Cents	\$ Cts.	\$ cts.
1914.....	334	387	14.3	15.3		
1915.....	379	401	14.5	15.8		
1916.....	427	456	16.1	17.9		
1917.....	446	548	16.9	21.3		
1918.....	525	726	20.3	26.7		
1919.....	634	825	24.7	33.8		
1920.....	760	1,026	29.2	48.0		
1921.....	683	797	26.8	35.0		
1922.....	618	750	24.5	33.0		
1923.....	609	841	27.2	37.1		
1924.....	629	770	27.6	37.2		
1925.....	629	793	27.2	35.0		
1926.....	660	792	26.9	32.8	12 69	15 91
1927.....	679	815	27.4	33.6	13 08	16 41
1928.....	685	754	27.7	32.6	12 73	15 31
1929.....	674	763	28.1	32.7	12 95	15 65
1930.....	666	700	28.4	31.9	12 63	14 51
1931.....	651	666	28.7	30.4	12 60	13 56
1932.....	618	535	28.9	24.0	11 90	10 83
1933.....	613	570	26.0	28.0	11 75	11 39
1934.....	611	637	27.4	37.8	11 79	12 59
1935.....	607	665	27.4	37.7	11 69	13 04
January, 1937.....			29.3	39.0	14 72	15 43

SOURCES.—Exhibit 1211 for Dominion Textile Co. Ltd., Reports of U.S. Department of Labor for United States.

TABLE 18.—PRODUCTIVITY IN THE GREY MILLS OF THE DOMINION TEXTILE COMPANY LIMITED

Company's Year	Lbs. produced per Operative Hour	Average Wage per Hour	Average "Value Added" per Operative Hour
		Cents	Cents
1912.....	2.00	12.7	38.74
1913.....	2.11	13.7	39.69
1914.....	1.97	14.5	37.92
1915.....	2.17	14.3	42.16
1916.....	2.26	14.5	38.96
1917.....	2.19	16.1	42.38
1918.....	2.02	16.9	49.01
1919.....	1.92	20.3	82.02
1920.....	2.03	24.7	69.83
1921.....	1.98	29.2	95.65
1922.....	2.01	26.8	78.49
1923.....	2.33	24.5	76.68
1924.....	2.44	27.2	73.44
1925.....	2.44	27.6	79.03
1926.....	2.43	27.2	84.44
1927.....	2.48	26.9	87.54
1928.....	2.53	27.4	78.43
1929.....	2.60	27.7	73.53
1930.....	2.64	28.1	77.01
1931.....	2.71	28.4	83.47
1932.....	2.76	28.7	83.24
1933.....	2.88	28.9	81.59
1934.....	3.22	26.0	89.36
1935.....	3.02	27.4	89.42
1936.....	3.00	27.4	86.76

* Calculated from mill spread per pound of product.

SOURCE.—Prepared from exhibits 1211 and 1361.

EXHIBIT No. 1286.

TABLE 19.—CUMULATIVE PERCENTAGE DISTRIBUTION OF EMPLOYEES ACCORDING TO AVERAGE HOURLY EARNINGS IN THE SILK AND RAYON INDUSTRY

MALES

Average Hourly Earnings	United States		Canada February, 1936	
	April, 1933	August, 1934	Quebec	Ontario
Less than 12.5 cents.....	2.5		9.1	0.5
" 17.5 ".....	11.0		25.4	5.4
" 22.5 ".....	24.8	0.3	45.5	14.0
" 27.5 ".....	43.9	1.8	66.0	28.0
" 30.0 ".....	50.8	2.2	72.0	34.9
" 32.5 ".....	58.9	5.2	79.5	46.1
" 35.0 ".....	65.7	17.2	82.7	52.7
" 40.0 ".....	75.6	29.6	88.6	72.8
" 45.0 ".....	83.6	43.6	92.2	84.9
" 50.0 ".....	88.5	57.5	94.1	88.6
" 60.0 ".....	94.8	74.3	98.0	94.4
" 70.0 ".....	97.7	86.1	99.1	97.5

FEMALES

Less than 12.5 cents.....	5.5		2.7	
" 17.5 ".....	27.1		31.5	1.5
" 22.5 ".....	54.8	0.2	68.0	12.0
" 27.5 ".....	79.4	1.2	88.2	62.1
" 30.0 ".....	84.8	1.5	93.3	78.9
" 32.5 ".....	89.7	6.0	96.0	90.2
" 35.0 ".....	92.6	42.6	98.6	93.9
" 40.0 ".....	96.1	66.2	99.4	97.2
" 45.0 ".....	98.0	79.2	99.7	98.3
" 50.0 ".....	99.0	87.2	100.0	98.7
" 60.0 ".....	99.6	95.2		99.8
" 70.0 ".....	99.8	98.7		100.0

TABLE 20.—SILK FIRMS ARRANGED ACCORDING TO AVERAGE (MEDIAN) HOURLY EARNINGS, FEBRUARY, 1936

Males	Cents per Hour	Females	Cents per Hour
Riverside Silk Mills Ltd.....	39.8	Dominion Rayon Weaving Co. Ltd.....	29.9
L & L Textiles Ltd.....	35.0	Riverside Silk Mills Ltd.....	27.0
Grout's Limited.....	33.4	Dominion Silk Mills Ltd.....	26.9
Belding-Corticelli Ltd. (St. John).....	32.0	L & L Textiles Ltd.....	26.0
Slingsby Silks Ltd.....	31.0	Grout's Limited.....	25.1
Dominion Rayon Weaving Co. Ltd.....	30.3	Belding-Corticelli Ltd. (Montreal).....	25.0
Valleyfield Silk Mills Ltd.....	30.0	Royal Silk Mills Ltd.....	24.8
Dominion Silk Mills Ltd.....	30.0	Slingsby Silks Ltd.....	22.0
Canadian T.S.R. of Lyons, Ltd.....	30.0	Canadian Silk Mills Reg'd.....	21.6
Belding-Corticelli Ltd. (Montreal).....	26.9	British American Silk Mills Ltd.....	21.2
Associated Textiles Ltd.....	25.0	Acton Vale Silk Mills Ltd.....	21.0
Bruck Silk Mills Ltd.....	25.0	Albert Godde Bedin Ltd.....	21.0
Royal Silk Mills Ltd.....	24.6	Belding-Corticelli Ltd. (Coaticook).....	21.0
Consolidated Silk Mills Ltd.....	23.7	M. E. Binz Co. Ltd.....	21.0
British American Silk Mills Ltd.....	22.2	Bruck Silk Mills Ltd.....	21.0
L. Roessel & Co. Ltd.....	21.9	L. Roessel & Co. Ltd.....	21.0
Canadian Silk Mills Reg'd.....	21.4	Valleyfield Silk Mills Ltd.....	21.0
Albert Godde Bedin Ltd.....	21.0	M. E. Binz of Danville Ltd.....	20.7
B. Edmond David Silk Mills Ltd.....	20.4	Belding-Corticelli Ltd. (St. John).....	20.6
Belding-Corticelli Ltd. (Coaticook).....	19.7	B. Edmond David Silk Mills Ltd.....	20.4
Acton Vale Silk Mills Ltd.....	10.3	Consolidated Silk Mills Ltd.....	19.6
M. E. Binz of Danville Ltd.....	17.7	Canadian T.S.R. of Lyons Ltd.....	18.2
M. E. Binz Co. Ltd.....	13.5	Associated Textiles Ltd.....	17.2
Quebec (all mills).....	24.1	Quebec (all mills).....	21.0
Ontario (all mills).....	33.4	Ontario (all mills).....	27.0

(Prepared from Exhibits Nos. 1253 and 1254.)

TABLE 21.—TEXTILE MANUFACTURING INDUSTRY—SILK DIVISION
AVERAGE HOURLY EARNINGS OF ALL FACTORY WORKERS (EXCLUSIVE OF MANAGEMENT AND
SUPERINTENDENTS)

	All males				All females			
	1926	1930	1934	1936	1926	1930	1934	1936
	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.
<i>Quebec</i>	29.3	29.4	24.8	25.6	20.4	23.9	19.2	21.1
Acton Vale Silk Mills Ltd.....			18.2	20.2			13.0	23.1
Associated Textiles of Canada Ltd.....			22.7	25.9			17.6	18.8
Albert Godde Bedin Ltd.....		27.4	24.8	28.8		18.6	19.5	21.6
Belding Corticelli Ltd.—								
Montreal.....			33.7	30.4			23.5	24.5
Coaticook.....			20.6	21.6			19.1	21.3
St. Johns.....			32.1	32.0			19.2	20.2
M. E. Binz Co. Ltd.....			13.2	16.6			10.5	19.0
M. E. Binz of Danville Co. Ltd.....			21.5	24.6			15.5	19.8
British American Silk Mills Ltd.....			27.1	24.3			21.3	22.6
Bruck Silk Mills Ltd.....	27.9	36.7	26.4	26.3	22.7	28.7	18.1	20.9
Canadian Silk Mills Ltd.....			20.4	25.2			12.2	23.8
Canadian T.S.R. of Lyons Ltd.....			24.1	32.5			21.1	21.2
Consolidated Silk Mills Ltd.....		30.7	26.3	25.7		18.3	20.4	21.4
Louis Roessel & Co. Limited.....	33.3	39.2	24.1	25.9	18.1	28.2	20.6	22.6
Royal Silk Mills of Canada Inc.....			20.8	25.8			25.6	25.6
Valleyfield Silk Mills Ltd.....			29.8	31.5			17.2	21.0
<i>Ontario</i>			33.9	35.3			25.5	27.4
B. Edmund David Silk Mills of								
Canada Ltd.....			15.8	18.7			17.4	21.2
Dominion Rayon Weaving Co.								
Ltd.....				34.6				33.7
Dominion Silk Mills Limited.....			31.2	37.1			24.3	27.3
Grout's Limited.....			41.2	36.6			27.9	27.8
L. & L. Textiles Ltd.....			31.1	32.3			24.9	26.6
Riverside Silk Mills Ltd.....			31.5	35.3			25.7	27.8
Slingsby Silks Ltd.....			31.5	36.8			24.1	24.1

EXHIBIT No. 1322.

TABLE 22.—SILK DIVISION—AVERAGE EARNINGS—TWO WEEK PAYROLLS

	ALL MALES				ALL FEMALES			
	1926	1930	1934	1936	1926	1930	1934	1936
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
<i>Quebec</i>	29 79	37 63	27 29	24 50	20 52	26 01	18 36	18 62
Acton Vale Silk Mills Ltd.....			17 88	21 87			13 33	17 54
Associated Textiles of Can. Ltd..			29 71	27 58			18 33	16 56
Belding-Corticelli Limited—								
Montreal.....			38 80	25 72			23 27	20 09
Coaticook.....			18 73	22 90			11 20	17 96
St. Johns.....			32 00	37 76			16 23	19 54
M. E. Binz Co. Ltd.....			14 34	15 31			11 14	18 18
M. E. Binz of Danville Co. Ltd..			18 14	14 04			11 16	11 25
British American Silk Mills Ltd.			23 05	23 23			20 75	22 86
Bruck Silk Mills Limited.....	28 62	37 63	26 72	26 64	16 34	28 82	19 58	20 94
Canadian Silk Mills Limited.....			23 00	20 39			13 50	20 84
Consolidated Silk Mills Limited.		28 45	26 70	20 43			19 38	12 53
Louis Roessel & Co. Ltd.....	32 95	43 72	27 33	23 37	17 65	27 13	21 42	20 65
Royal Silk Mills of Canada Inc..			18 42	14 76			20 71	9 42
<i>Ontario</i>		41 90	26 12	30 37			26 42	19 92
B. Edmund David Silk Mills of								
Can. Ltd.....			18 17	21 88			17 59	20 94
Riverside Silk Mills Ltd.....		35 26	42 23	29 58		23 93	27 67	19 73
Slingsby Silks Ltd.....		43 27	30 65	34 73		26 14	24 33	26 10

ONE-WEEK PAYROLLS

<i>Quebec</i>		15 65	15 42	16 40		10 67	10 18	9 58
Albert Godde Bedin Limited.....		15 65	14 39	14 64		10 67	10 49	10 19
Canadian T.S.R. of Lyons Ltd..			13 77	16 42			10 59	9 37
Valleyfield Silk Mills Ltd.....			18 70	16 76			9 62	9 43
<i>Ontario</i>	26 39	23 03	20 86	17 87	15 17	17 33	13 49	12 86
Dominion Rayon Weaving Co.								
Ltd.....				17 71				
Dominion Silk Mills Limited....	24 75	21 73	17 43	14 76	15 85	17 55	11 86	11 67
Grout's Limited.....	27 42	24 60	22 60	18 88	14 73	17 29	14 07	13 14
L. & L. Textiles Ltd.....			20 76	17 62			12 07	14 55

TABLE 23.—SILK DIVISION—AVERAGE HOURLY EARNINGS FOR SELECTED OCCUPATIONS FEBRUARY, 1934 and 1936

Occupations	Quebec		Ontario	
	1934	1936	1934	1936
	cents	cents	cents	cents
MALES				
Enterers.....	25.1	23.4	32.7	35.4
Winders.....	14.8	15.7		
Spinners.....	17.3	20.3	29.3	32.7
Quillers.....	13.4	15.0	23.9	27.0
Warpers.....	23.8	26.5	35.5	40.1
Re-drawers.....	7.5	14.4		
Weavers.....	22.9	24.3	30.4	32.1
Loom fixers.....	44.2	43.0	42.5	50.7
Smash fixers.....	36.2	27.3		30.2
Battery hands.....	9.6	14.0	25.0	18.3
FEMALES				
Winders.....	17.2	19.8	25.6	27.6
Spinners.....	19.5	21.0	24.5	27.2
Quillers.....	13.9	16.8		
Warpers.....	23.4	25.2	35.9	31.4
Re-drawers.....	15.5	17.2		
Pickers and trimmers.....	17.3	20.0	19.3	24.4
Weavers.....	21.9	24.0	25.0	28.7

TABLE 24.—SILK DIVISION—AVERAGE WEEKLY EARNINGS FOR SELECTED OCCUPATIONS FEBRUARY, 1934 and 1936

Occupations	Quebec		Ontario	
	1934	1936	1934	1936
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
MALES				
Enterers.....	14 59	10 95	20 88	17 27
Winders.....	7 46	7 35		
Spinners.....	10 50	10 00	19 08	14 10
Quillers.....	7 63	7 45	15 11	12 76
Warpers.....	12 66	11 48	20 87	20 51
Re-drawers.....	4 06	7 22		14 10
Weavers.....	10 86	10 93	17 54	14 09
Loom fixers.....	25 27	23 65	27 07	25 82
Smash fixers.....	16 09	15 28		16 98
Battery hands.....	5 30	9 17	13 26	9 02
FEMALES				
Winders.....	8 93	8 14	13 19	10 64
Spinners.....	11 17	10 02	12 59	11 03
Quillers.....	7 52	8 07		
Warpers.....	11 61	9 90	19 77	15 18
Re-drawers.....	8 61	7 01		
Weavers.....	10 73	11 35	13 43	12 63
Pickers and trimmers.....	8 27	8 40	10 00	10 57

TABLE 25.—ARTIFICIAL SILK DIVISION—DISTRIBUTION OF EMPLOYEES
ACCORDING TO HOURLY EARNINGS, FEBRUARY, 1936

MALES

Average Hourly Earnings	Courtaulds (Canada) Limited		Canadian Celanese Limited	
	%	Cum. %	%	Cum. %
Less than 10 cents.....			0.1	0.1
10.0 cents to 12.4 cents.....			0.2	0.3
12.5 " 16.9 "	0.1	0.1	1.6	1.9
17.0 " 20.9 "	0.5	0.6	5.5	7.4
21.0 " 24.9 "	0.3	0.8	4.4	11.8
25.0 " 29.9 "	2.2	3.0	28.6	40.4
30.0 " 34.9 "	1.4	4.4	17.2	57.6
35.0 " 39.9 "	13.1	17.5	13.6	71.2
40.0 " 44.9 "	5.8	23.3	9.8	81.0
45.0 " 49.9 "	61.6	84.9	7.4	88.4
50.0 " 59.9 "	7.7	92.6	7.4	95.8
60.0 " 69.9 "	4.6	97.2	2.0	97.8
70.0 " 79.9 "	1.9	99.1	1.0	98.8
80.0 " 89.9 "	0.3	99.4	0.7	99.5
90.0 " 99.9 "	0.6	100.0	0.5	100.0
100.0 and over.....				

FEMALES

Less than 10 cents.....				
10.0 cents to 12.4 cents.....				
12.5 " 16.9 "	0.8	0.8	1.2	1.2
17.0 " 20.9 "	10.1	10.9	17.8	19.0
21.0 " 24.9 "	39.2	50.1	30.9	49.9
25.0 " 29.9 "	44.5	94.6	17.3	67.2
30.0 " 34.9 "	5.3	99.9	11.3	78.5
35.0 " 39.9 "		99.9	15.5	94.0
40.0 " 44.9 "		99.9	4.1	98.1
45.0 " 49.9 "		99.9	1.3	99.4
50.0 " 59.9 "	0.1	100.0	0.6	100.0
60.0 " 69.9 "				
70.0 " 79.9 "				
80.0 " 89.9 "				
90.0 " 99.9 "				
100.0 and over.....				

(Taken from Ex. 735 and 754).

TABLE 26.—ARTIFICIAL SILK DIVISION

DISTRIBUTION OF EMPLOYEES ACCORDING TO WEEKLY EARNINGS, FEBRUARY, 1936

MALES

Average earnings	Courtaulds (Canada) Limited		Canadian Celanese Limited	
	%	Cum. %	%	Cum. %
Less than \$6.00.....	0.1	0.1	0.9	0.9
\$6.00-\$6.99.....	0.1	0.1	0.3	1.2
7.00- 7.99.....	0.3	0.4	0.8	2.0
8.00- 8.99.....	0.1	0.5	1.2	3.2
9.00- 9.99.....	0.3	0.8	1.4	4.6
10.00-10.99.....	0.3	1.1	3.0	7.6
11.00-11.99.....	0.3	1.4	3.2	10.8
12.00-12.99.....	0.5	1.9	2.3	13.1
13.00-13.99.....	0.8	2.7	6.6	19.7
14.00-15.99.....	2.3	5.0	14.1	33.8
16.00-17.99.....	3.3	8.3	13.2	47.0
18.00-19.99.....	5.0	13.4	12.1	59.1
20.00-21.99.....	5.6	19.0	10.7	69.8
22.00-24.99.....	43.2	62.2	12.5	82.3
25.00-29.99.....	25.5	87.7	9.5	91.8
30.00-34.99.....	7.1	94.8	4.2	96.0
35.00-39.99.....	3.1	97.9	1.9	97.9
40.00-49.99.....	1.4	99.3	1.6	99.5
50.00 and over.....	0.7	.....	0.5	.....

FEMALES

Less than \$6.00.....	2.7	2.7	1.2	1.2
6.00-\$6.99.....	3.6	6.3	0.5	1.7
7.00- 7.99.....	12.9	19.2	4.1	5.8
8.00- 8.99.....	9.2	28.4	4.2	10.0
9.00- 9.99.....	4.8	33.2	10.7	20.7
10.00-10.99.....	5.8	39.0	11.4	32.1
11.00-11.99.....	11.9	50.9	14.2	46.3
12.00-12.99.....	12.3	63.2	5.7	52.0
13.00-13.99.....	23.7	86.9	7.7	59.7
14.00-15.99.....	11.5	98.4	10.0	69.7
16.00-17.99.....	1.4	99.8	9.2	78.9
18.00-19.99.....	0.2	100.0	11.1	90.0
20.00-21.99.....	.....	.....	8.5	98.5
22.00-24.99.....	.....	.....	0.9	99.4
25.00-29.99.....	.....	.....	0.4	99.8
30.00-34.99.....	.....	.....	0.2	100.0
35.00-39.99.....	.....	.....	.....	.....
40.00-49.99.....	.....	.....	.....	.....
50.00 and over.....	.....	.....	.....	.....

(Taken from Ex. 736 and 755).

TABLE 27.—WOOLLEN DIVISION—AVERAGE HOURLY EARNINGS FOR SELECTED OCCUPATIONS FEBRUARY 1926, 1930, 1934, 1936

Occupations	QUEBEC				ONTARIO			
	1926	1930	1934	1936	1926	1930	1934	1936
MALES	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Sorters.....					34.8	35.2	29.2	31.8
Carders.....	27.2	27.6	25.0	25.6	35.4	35.8	30.2	31.6
Spinners (frame).....					27.2	25.3	27.6	28.9
Spinners (mule).....					36.0	35.8	35.1	32.4
Weavers.....	24.7	29.4	26.6	30.1	32.0	41.4	43.1	35.8
Loom fixers.....	46.2	45.5	50.3	44.3	48.6	51.5	45.7	48.4
Fullers.....					36.2	38.5	33.5	39.0
Dyehouse.....					34.9	36.8	32.8	33.4
Finishers.....	26.8	28.6	26.2	25.5	35.7	34.9	31.6	33.2
Doffers.....								
FEMALES								
Spinners (frame).....	18.1	18.3	20.7	18.9		26.6	23.0	22.9
Spinners (mule).....					28.5	23.7	24.3	24.0
Twisters.....					30.9	20.1	24.0	26.0
Spoolers.....					22.5	25.1	23.4	24.7
Wetwinders.....					22.6	26.6	25.4	27.4
Drawing-in hands.....					24.8	24.7	25.8	24.2
Weavers.....	22.4	23.3	22.7	27.8	32.5	31.9	29.2	28.6
Finishers.....					23.4	26.3	21.7	24.8
Menders.....	19.5	20.2	18.8	20.9	24.6	27.7	26.2	26.4
Sewers and seamers.....						35.1	30.0	29.2
Inspectors.....						21.6	22.4	22.5

TABLE 28.—WOOLLEN DIVISION—AVERAGE WEEKLY EARNINGS FOR SELECTED OCCUPATIONS FEBRUARY 1926, 1930, 1934, 1936

Occupations	QUEBEC				ONTARIO			
	1926	1930	1934	1936	1926	1930	1934	1936
MALES	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Sorters.....					15 58	17 60	15 37	16 60
Carders.....	13 62	14 23	13 51	13 99	14 46	15 86	17 00	16 51
Spinners (frame).....					16 89	10 21	12 77	12 25
Spinners (mule).....					17 26	16 26	18 18	16 46
Weavers.....	12 50	14 83	14 03	15 95	15 09	18 09	15 79	17 60
Loom fixers.....	24 92	23 66	27 85	26 80	24 19	25 78	24 76	25 54
Fullers.....					17 18	17 12	16 17	18 65
Dyehouse.....					16 37	18 56	16 07	18 25
Doffers.....					8 93	13 18	14 12	13 19
Finishers.....	15 03	14 50	15 34	15 38	16 84	15 67	17 52	17 77
Helpers.....					17 35	13 86	17 06	15 42
FEMALES								
Spinners (frame).....	10 25	8 22	8 98	10 02		11 31	10 39	10 64
Spinners (mule).....					14 25	8 29	11 57	11 58
Twisters.....					12 50	12 02	10 52	11 40
Spoolers.....					10 82	10 93	11 22	11 16
Wet winders.....					11 30	12 19	12 31	11 11
Drawing-in hands.....					10 89	10 26	11 57	11 32
Weavers.....	10 65	11 65	12 06	14 76	12 89	12 61	13 43	14 34
Finishers.....					10 96	10 34	10 94	11 38
Menders.....	10 12	9 22	10 82	10 72	11 14	12 29	12 87	13 02
Sewers and seamers.....						13 32	12 81	12 08
Inspectors.....						9 58	11 03	11 21

TABLE 29.—KNIT GOODS DIVISION—AVERAGE HOURLY EARNINGS FOR SELECTED OCCUPATIONS, FEBRUARY, 1926, 1930, 1934, 1936

Occupations	QUEBEC				ONTARIO			
	1926	1930	1934	1936	1926	1930	1934	1936
	cents	cents	cents	cents	cents	cents	cents	cents
MALES								
Sorters.....					32.3	31.2	29.6	28.4
Carders.....	24.0	26.1	24.9	25.9	33.1	34.9	32.1	32.3
Spinners (mule).....	26.6	26.5	24.6	26.5	34.3	37.1	34.2	36.5
Fixers (other).....					52.2	59.2	52.3	51.6
Knitters.....	26.8	30.2	25.9	28.4	37.4	47.3	36.8	38.9
Cutters.....					32.7	38.6	34.2	34.7
Boarders.....					38.7	40.8	35.0	35.4
Dyehouse.....	24.6	30.9	26.2	28.3	39.6	41.2	34.1	36.2
FEMALES								
Spinners.....					28.4	27.9	24.7	25.6
Twisters.....					28.1	29.1	26.2	26.9
Spoolers.....	16.9	21.0	21.0	23.6	27.3	30.4	26.0	26.4
Weft winders.....	17.4	21.1	18.5	22.5	32.0	37.1	28.7	28.2
Loopers.....	25.3	25.9	21.7	27.1	28.0	40.2	30.1	30.7
Knitters.....	21.2	23.2	21.2	22.5	28.1	31.8	27.3	27.6
Folders.....					28.0	30.1	24.7	27.6
Finishers.....	19.6	22.9	19.8	23.6	26.9	29.2	25.3	27.2
Menders.....	19.6	21.4	20.8	22.3	31.0	33.1	27.1	27.1
Cutters.....					28.8	28.9	27.1	28.7
Pressers.....					33.0	28.2	28.2	27.5
Sewers and seamers.....	19.9	25.8	21.1	23.6	31.7	32.8	27.4	29.3
Inspectors.....	18.8	22.2	20.5	20.7	25.6	27.8	25.7	25.5

TABLE 30.—KNIT GOODS DIVISION—AVERAGE WEEKLY EARNINGS FOR SELECTED OCCUPATIONS, FEBRUARY, 1926, 1930, 1934, 1936

Occupations	QUEBEC				ONTARIO			
	1926	1930	1934	1936	1926	1930	1934	1936
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
MALES								
Sorters.....					14 02	15 89	12 80	15 02
Carders.....	13 20	13 08	12 95	13 13	15 57	16 29	15 03	15 64
Spinners (mule).....	14 40	13 25	11 77	12 03	16 51	16 15	15 63	17 25
Fixers (other).....					27 16	27 53	26 43	25 30
Knitters.....	14 40	14 18	13 18	13 98	18 58	20 15	17 01	17 87
Cutters.....					15 41	18 56	16 34	16 52
Boarders.....					17 56	15 86	12 55	12 07
Dyehouse.....	14 02	12 46	13 60	13 78	20 66	19 51	16 92	18 08
FEMALES								
Spinners.....					12 93	12 21	11 12	12 15
Twisters.....					13 87	12 16	9 82	13 22
Spoolers.....	8 33	7 80	9 03	8 01	12 27	12 39	10 58	10 86
Weft winders.....	8 63	7 95	8 91	7 80	13 32	15 30	12 11	10 83
Loopers.....	11 84	9 86	6 71	9 68	11 86	12 67	12 06	12 08
Knitters.....	10 70	9 22	8 87	8 94	12 58	13 73	11 79	11 46
Folders.....					12 05	11 84	9 95	10 88
Finishers.....	9 50	8 52	8 87	8 77	11 75	11 52	10 42	11 03
Menders.....	10 25	7 80	7 27	9 44	12 91	11 51	11 08	11 07
Cutters.....					12 90	12 12	12 14	12 29
Pressers.....					14 00	11 47	10 81	10 75
Sewers and seamers.....	9 11	10 36	8 13	9 49	13 90	13 23	11 13	11 76
Inspectors.....	9 91	7 88	7 87	8 87	11 33	9 87	10 11	10 71

TABLE 31.—HOSIERY DIVISION—AVERAGE HOURLY EARNINGS FOR SELECTED OCCUPATIONS, FEBRUARY, 1926, 1930, 1934, 1936

Occupations	QUEBEC				ONTARIO			
	1926	1930	1934	1936	1926	1930	1934	1936
MALES	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Fixers.....						64.3	56.9	51.8
Knitters.....		34.9	33.4	38.5		39.5	39.9	43.7
Dyehouse.....								
Boarders.....		36.9	32.4	44.9		36.5	36.0	34.6
FEMALES								
Spinners (frame).....		25.6	25.8	28.1				
Spoolers.....		23.7	23.3	23.7	22.1	24.0	20.2	23.5
Loopers.....		36.1	25.8	32.2	30.7	31.4	28.6	30.1
Knitters.....		27.2	24.2	26.0	26.3	26.1	25.2	27.8
Menders.....		30.4	20.5	23.8	30.6	30.3	25.4	27.2
Boarders.....		25.4	25.8	26.6	31.9	26.4	26.4	27.0
Sewers and seamers.....		23.3	23.5	28.2	27.7	33.3	29.2	29.7
Inspectors.....		23.0	21.3	27.1	29.6	24.8	25.4	25.9

TABLE 32.—HOSIERY DIVISION—AVERAGE WEEKLY EARNINGS FOR SELECTED OCCUPATIONS, FEBRUARY, 1926, 1930, 1934, 1936

Occupations	QUEBEC				ONTARIO			
	1926	1930	1934	1936	1926	1930	1934	1936
MALES	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Fixers.....						31 74	30 10	25 36
Knitters.....		18 80	20 80	20 88		18 71	22 09	22 09
Dyehouse.....								
Boarders.....		18 70	16 13	20 50		16 90	15 35	11 92
FEMALES								
Spinners (frame).....		12 60	12 87	12 57				
Spoolers.....		11 34	11 38	11 50	10 14	10 72	9 32	9 50
Loopers.....		17 31	10 97	13 94	14 21	12 33	12 45	12 74
Knitters.....		13 11	10 03	12 14	12 11	11 73	12 29	12 61
Finishers.....		9 54	10 78	7 44	14 29	12 81	10 51	11 88
Menders.....		12 43	11 98	11 34	12 15	11 23	10 58	12 49
Sewers and seamers.....		13 13	10 36	13 43	12 60	10 81	13 73	13 77
Inspectors.....		13 31	9 50	12 54	13 48	8 74	11 97	11 35

TABLE 33.—AVERAGE HOURS OF WORK AND EARNINGS OF TEXTILE WORKERS, QUEBEC, FEBRUARY, 1936

Division		No. of Employees Reported	Average Weekly Hours	Average Earnings	
				Hourly	Weekly
				cents	\$ cts.
Cotton Division.....	M.	8,132	45.3	28.0	12 68
	F.	4,206	39.8	23.5	9 35
	Total	12,338	43.4	26.6	11 55
Silk.....	M.	2,162	49.2	25.6	12 42
	F.	1,474	44.2	21.1	9 31
	Total	3,636	47.2	23.8	11 11
Artificial Silk.....	M.	2,095	56.2	34.8	19 56
	F.	521	50.6	27.0	13 66
	Total	2,616	55.0	33.2	18 29
Woollens and papermakers' felts.....	M.	771	52.4	31.4	16 64
	F.	587	46.0	22.5	10 39
	Total	1,358	49.7	27.6	13 83
Knit goods.....	M.	1,115	49.0	28.5	13 88
	F.	1,315	40.9	23.1	9 40
	Total	2,430	44.7	25.6	11 46
Hosiery.....	M.	936	52.6	36.4	19 18
	F.	1,162	44.7	25.7	11 46
	Total	2,098	48.2	30.9	15 23
Threads.....	M.	117	47.1	40.8	18 97
	F.	283	44.2	28.0	12 26
	Total	400	45.0	31.7	14 14

M—Males. F—Females.

TABLE 34.—AVERAGE HOURS OF WORK AND EARNINGS OF TEXTILE WORKERS, ONTARIO, FEBRUARY, 1936

Division		No. of Employees Reported	Average Weekly Hours	Average Earnings	
				Hourly	Weekly
				cents	\$ cts.
Cotton Division.....	M.	2,551	48.1	32.5	15 63
	F.	1,488	45.8	26.5	12 14
	Total	4,039	47.3	30.3	14 33
Silk.....	M.	393	47.2	35.3	16 66
	F.	541	40.9	27.4	11 18
	Total	934	43.5	30.7	13 35
Artificial silk.....	M.	995	55.4	45.1	24 99
	F.	825	45.1	24.9	11 23
	Total	1,820	50.6	35.9	18 20
Woollens and papermakers' felts.....	M.	3,439	50.7	35.6	17 91
	F.	2,813	47.2	25.8	12 02
	Total	6,252	49.0	31.2	15 16
Knit Goods.....	M.	2,442	48.4	38.6	18 49
	F.	4,784	41.9	27.7	11 44
	Total	7,226	44.2	31.4	13 66
Hosiery.....	M.	1,140	50.3	40.3	20 29
	F.	1,725	43.3	27.8	12 05
	Total	2,865	40.1	33.2	15 32
Threads.....	M.	31	55.7	43.6	24 29
	F.	49	52.4	26.6	13 94
	Total	80	53.7	33.2	17 83
Carpets.....	M.	520	47.2	41.4	19 54
	F.	295	45.7	29.2	13 34
	Total	815	46.6	37.0	17 28

M—Males. F—Females.

TABLE 35.—DISTRIBUTION OF FACTORY EMPLOYEES ACCORDING TO HOURS WORKED IN PAY PERIOD, FEBRUARY, 1936
Two-WEEK PAYROLLS

		COTTON DIVISION						SILK DIVISION					
		MALES			FEMALES			MALES			FEMALES		
		QUEBEC		ONTARIO	QUEBEC		ONTARIO	QUEBEC		ONTARIO	QUEBEC		ONTARIO
		%	Cum. %	%	%	Cum. %	%	%	Cum. %	%	%	Cum. %	%
Hours Worked													
1	Under 8 hours.....	0.5	0.5	0.4	0.5	0.5	0.3	0.4	0.4	0.3	1.1	1.1	0.3
2	8.0 to 15.9.....	1.4	1.4	0.7	1.9	2.7	0.6	0.8	1.2	0.6	1.2	2.3	0.6
3	16.0 " 23.9.....	0.9	2.7	1.1	2.7	0.2	0.8	0.7	1.9	0.6	1.1	3.4	0.6
4	24.0 " 31.9.....	1.4	4.2	0.4	5.2	0.3	1.1	0.7	2.3	1.1	1.6	5.0	1.6
5	32.0 " 39.9.....	1.2	5.4	0.6	7.5	0.9	2.0	1.4	4.3	1.1	1.6	6.1	2.3
6	40.0 " 47.9.....	1.7	7.1	0.7	11.1	0.6	2.6	2.3	6.6	3.9	2.0	8.1	3.4
7	48.0 " 55.9.....	3.2	10.3	0.6	15.5	5.2	7.0	2.9	9.5	5.1	2.5	10.6	5.2
8	56.0 " 63.9.....	4.8	15.1	1.8	22.2	4.2	12.0	2.6	12.1	15.1	2.4	13.0	8.4
9	64.0 " 71.9.....	4.6	19.7	0.9	30.5	2.8	14.8	3.4	15.5	22.3	4.6	17.6	12.9
10	72.0 " 79.9.....	6.1	25.8	3.8	38.4	8.0	22.8	5.3	20.8	31.2	8.1	25.7	29.0
11	80.0 " 87.9.....	5.0	30.8	2.1	43.8	11.5	34.3	7.0	27.8	36.8	8.8	34.5	37.1
12	84.0 " 91.9.....	8.4	39.2	2.5	61.1	2.2	36.5	8.9	30.7	45.2	8.8	40.5	45.2
13	88.0 " 95.9.....	5.2	44.4	4.1	66.8	3.3	39.8	4.0	34.7	47.4	8.1	48.6	53.7
14	92.0 " 99.9.....	10.9	55.3	2.9	74.3	4.2	44.0	3.1	37.8	50.2	6.1	54.7	60.8
15	96.0 " 99.9.....	7.3	62.6	4.6	80.6	0.3	44.3	1.5	39.3	52.4	2.0	56.7	62.8
16	96.1 " 99.9.....	2.8	65.4	2.2	82.6	4.1	48.4	3.8	43.1	53.6	3.8	60.5	66.6
17	100.0 " 107.9.....	3.7	69.1	7.6	87.1	10.4	58.8	2.4	45.4	64.2	1.8	62.3	68.4
18	100.1 " 109.9.....	6.9	76.0	8.2	91.7	10.5	69.3	6.2	51.6	73.7	1.3	63.6	70.7
19	109.0 " 119.9.....	1.8	77.8	9.1	95.8	3.5	72.8	2.0	53.6	77.2	3.6	66.9	74.3
20	110.0 " 119.9.....	7.6	85.4	15.8	98.9	20.5	93.3	20.2	73.8	83.7	11.6	78.5	85.9
21	110.1 " 129.9.....	5.8	91.2	9.7	99.8	6.7	100.0	13.0	86.8	86.6	0.9	79.2	87.8
22	120.0 " 139.9.....	5.6	96.8	12.4	100.0	.....	.....	7.4	94.2	88.0	0.9	80.8	88.7
23	130.0 " 149.9.....	1.7	98.5	3.4	.....	.....	.....	2.6	96.8	90.0	0.3	81.1	89.8
24	140.0 " 149.9.....	0.6	99.1	1.3	.....	.....	.....	1.9	98.7	91.4	0.6	81.7	90.4
25	150 and over.....	0.9	100.0	1.6	.....	.....	.....	1.3	100.0	100.0	0.3	82.0	90.7
	Number of employees.....	7,679		960	4,067		638	1,979		179	1,317		310

TABLE 36.—DISTRIBUTION OF FACTORY EMPLOYEES ACCORDING TO HOURS WORKED IN PAY PERIOD, FEBRUARY, 1936

ONE-WEEK PAYROLLS

	Hours Worked	COTTON DIVISION						SILK DIVISION					
		MALES			FEMALES			MALES			FEMALES		
		MARITIMES		ONTARIO		MARITIMES		QUEBEC		ONTARIO		QUEBEC	
		%	Cum. %	%	Cum. %	%	Cum. %	%	Cum. %	%	Cum. %	%	Cum. %
1	Under 4 hours.....	0.5	0.5	.....	0.2	0.2	0.2	.....	.....	0.9	0.9	1.3	1.3
2	4.0 to 7.9.....	0.5	1.0	0.4	0.8	1.0	1.2	.....	.....	0.5	1.4	1.3	2.6
3	8.0 " 11.9.....	0.9	1.9	1.1	1.3	2.3	1.8	1.6	1.6	0.9	2.3	3.2	5.8
4	12.0 " 15.9.....	1.1	3.0	0.8	2.5	2.7	2.5	0.6	2.2	0.5	2.8	3.2	9.0
5	16.0 " 19.9.....	0.1	3.1	0.8	3.1	3.8	3.1	1.1	3.3	0.9	3.7	3.7	12.7
6	20.0 " 23.9.....	1.5	4.6	0.4	3.5	4.4	4.3	1.1	4.4	0.9	4.6	8.3	21.0
7	24.0 " 27.9.....	0.6	5.2	6.8	10.3	5.0	4.3	1.1	5.5	0.9	5.5	0.6	21.6
8	28.0 " 31.9.....	1.5	6.7	1.3	11.6	6.7	5.4	.....	.....	0.5	6.0	13.4	35.0
9	32.0 " 35.9.....	6.7	13.4	1.5	13.1	7.8	9.0	2.2	7.7	0.9	6.9	14.0	49.0
10	36.0 " 39.9.....	1.5	14.9	10.9	24.0	21.3	22.3	0.6	8.3	0.5	7.4	16.6	65.6
11	40.0 " 43.9.....	4.5	19.4	2.0	26.0	22.1	23.1	0.6	8.9	5.6	13.0	19.8	84.4
12	44.0 " 47.9.....	0.4	19.8	2.6	28.6	27.4	28.0	1.6	10.5	5.5	18.5	21.7	105.9
13	48.0 " 51.9.....	18.0	37.8	0.1	28.7	28.7	28.6	2.2	12.7	7.5	26.0	24.3	130.3
14	52.0 " 55.9.....	7.9	45.7	11.1	39.8	52.7	40.1	.....	.....	21.0	47.0	43.4	173.7
15	56.0 " 59.9.....	1.1	46.8	4.4	44.2	54.2	40.9	.....	.....	0.5	47.5	43.9	218.1
16	60.0 " 63.9.....	26.0	72.8	1.9	46.1	55.2	45.5	.....	.....	2.2	49.7	46.1	264.2
17	64.0 " 67.9.....	4.0	76.8	21.2	67.3	85.9	46.5	25.1	37.8	0.5	50.2	48.6	312.8
18	68.0 " 71.9.....	2.8	79.6	7.2	74.5	92.0	48.5	2.7	40.5	8.9	59.1	56.8	368.6
19	72.0 " 75.9.....	3.3	82.9	2.7	77.2	93.3	50.0	4.9	45.4	6.1	65.2	63.3	431.9
20	76.0 " 79.9.....	6.0	88.9	4.2	81.4	94.3	54.2	27.9	73.3	33.2	98.4	72.7	504.6
21	80.0 " 83.9.....	4.9	93.8	8.4	89.8	96.0	55.4	11.5	84.8	6.5	104.9	91.8	596.4
22	84.0 " 87.9.....	5.1	98.9	8.7	98.5	98.7	59.4	13.6	98.4	2.3	107.2	98.1	694.5
23	88.0 " 91.9.....	0.8	99.7	0.9	99.4	100.0	60.0	1.6	100.0	0.5	107.7	100.0	794.5
24	92.0 " 95.9.....	0.3	100.0	0.4	100.0	.....	60.0	.....	.....	0.9	108.6	.....	795.4
25	96.0 " and over.....	.....	.....	0.2	100.0	.....	60.0	.....	.....	.....	109.5	.....	795.4
	Number of employees.....	796	1,501	.....	525	851	183	.....	214	157	231	.....	.....

EXHIBIT No. 1369.

TABLE 37.—DISTRIBUTION OF MILL EMPLOYEES ACCORDING TO AGE GROUPS, FEBRUARY, 1936

Age Groups	Dominion Textile Company Limited, All Branches		Montreal Cottons Limited Valleyfield		Wabasso Cotton Company Limited, Three Rivers	
	Per cent	Average Hourly Earnings	Per cent	Average Hourly Earnings	Per cent	Average Hourly Earnings
		cents		cents		cents
10 years to 15 years.....	0.68	15.29	0.12	12.93	0.93	17.34
16 " 17 "	3.55	16.19	5.64	16.30	4.27	14.31
18 " 19 "	8.07	19.34	9.71	20.80	9.63	17.62
20 " 24 "	23.89	24.25	20.64	24.48	33.10	24.22
25 " 34 "	32.65	29.93	28.14	29.13	33.10	31.22
35 " 44 "	14.51	32.87	12.21	31.40	9.41	36.46
45 " 54 "	9.18	34.60	9.83	31.91	6.45	38.48
55 " 64 "	5.97	33.15	4.83	32.55	2.64	34.39
65 " 69 "	0.60	34.82	0.23	31.95	0.39	29.54
70 years and over.....	0.19	23.67	0.17	17.98	0.08	42.50
Not stated.....	0.71	33.74	8.48	27.10		
Total.....	100.00	28.52	100.00	27.30	100.00	27.93

FEMALES

10 years to 15 years.....	0.77	18.66			1.32	12.48
16 " 17 "	6.81	19.04	15.27	17.87	10.98	13.11
18 " 19 "	12.96	21.25	19.35	19.57	10.32	17.61
20 " 24 "	34.86	24.04	31.11	22.76	33.33	23.18
25 " 34 "	31.81	25.79	23.30	24.60	38.23	25.74
35 " 44 "	8.72	26.99	6.18	26.05	4.89	28.28
45 " 54 "	3.02	27.88	1.40	25.90	0.93	25.51
55 " 64 "	0.73	24.52	0.47	24.38		
65 " 69 "	0.24	26.59				
70 years and over.....			0.12	22.50		
Not stated.....	0.08	30.04	2.80	21.00		
Total.....	100.00	24.27	100.00	22.09	100.00	22.77

EXHIBIT No. 1335

TABLE 38.—CANADA—GAINFULLY OCCUPIED IN CERTAIN TEXTILE INDUSTRIES CLASSIFIED ACCORDING TO AGE AND SEX, 1931

MALES—PERCENTAGE DISTRIBUTION

Age	All Manufacturing Industries	Cotton Goods	Hosiery and Knitted Goods	Silk and Silk Goods (Including Artificial Silk)	Woollens and Worsteds
	p.c.	p.c.	p.c.	p.c.	p.c.
10 to 15 years.....	0.33	2.68	0.68	1.15	1.14
16 " 17 "	2.39	8.97	7.20	6.20	5.14
18 " 19 "	4.51	9.81	10.30	10.78	7.23
20 " 24 "	13.69	18.70	23.73	25.89	14.38
25 " 34 "	26.68	22.57	24.08	28.98	23.22
35 " 44 "	23.47	13.97	16.22	14.24	18.29
45 " 54 "	17.97	12.64	10.58	8.73	15.53
55 " 64 "	8.34	7.98	4.81	2.92	9.87
65 " 69 "	1.78	1.74	1.34	0.71	3.15
70 years and over.....	0.85	0.94	1.06	0.40	2.05
Total.....	100.00	100.00	100.00	100.00	100.00
Total number employed.....		11,187	3,970	4,789	4,631

TABLE 38.—CANADA—GAINFULLY OCCUPIED IN CERTAIN TEXTILE INDUSTRIES
CLASSIFIED ACCORDING TO AGE AND SEX, 1931—*Concluded*

MALES—CUMULATIVE PERCENTAGES

Age	All Manu- facturing Industries	Cotton Goods	Hosiery and Knitted Goods	Silk and Silk Goods (Including Artificial Silk)	Woollens and Worsted
	p.c.	p.c.	p.c.	p.c.	p.c.
10 to 15 years.....	0.33	2.68	0.68	1.15	1.14
16 " 17 ".....	2.72	11.65	7.88	7.35	6.28
18 " 19 ".....	7.23	21.46	18.18	18.13	13.51
20 " 24 ".....	20.92	40.16	41.91	44.02	27.89
25 " 34 ".....	47.59	62.73	65.99	73.00	51.11
35 " 44 ".....	71.07	76.70	82.21	87.24	69.40
45 " 54 ".....	89.04	89.34	92.79	95.97	84.93
55 " 64 ".....	97.38	97.32	97.60	98.89	94.80
65 " 69 ".....	99.16	99.06	98.94	99.60	97.95
70 years and over.....	100.00	100.00	100.00	100.00	100.00
Total.....	100.00	100.00	100.00	100.00	100.00

FEMALES—PERCENTAGE DISTRIBUTION

10 to 15 years.....	1.68	3.37	1.23	3.78	2.73
16 " 17 ".....	10.14	14.86	11.46	16.24	13.99
18 " 19 ".....	15.72	18.90	18.36	21.99	17.13
20 " 24 ".....	30.68	32.64	34.23	34.21	28.87
25 " 34 ".....	22.62	19.54	20.50	18.02	20.76
35 " 44 ".....	10.71	6.74	8.63	4.05	9.70
45 " 54 ".....	5.49	2.58	3.75	1.15	4.37
55 " 64 ".....	2.28	1.08	1.42	0.49	1.92
65 " 69 ".....	0.44	0.19	0.27	0.05	0.25
70 years and over.....	0.23	0.10	0.15	0.02	0.28
Total.....	100.00	100.00	100.00	100.00	100.00
Total number employed.....		7,240	5,862	4,101	3,596

FEMALES—CUMULATIVE PERCENTAGES

10 to 15 years.....	1.68	3.37	1.23	3.78	2.73
16 " 17 ".....	11.82	18.23	12.69	20.02	16.72
18 " 19 ".....	27.54	37.13	31.05	42.01	33.85
20 " 24 ".....	58.23	69.77	65.28	76.22	62.72
25 " 34 ".....	80.84	89.31	85.78	94.24	83.48
35 " 44 ".....	91.55	96.05	94.41	98.29	93.18
45 " 54 ".....	97.04	98.63	98.16	99.44	97.55
55 " 64 ".....	99.32	99.71	99.58	99.93	99.47
65 " 69 ".....	99.76	99.90	99.85	99.98	99.72
70 years and over.....	100.00	100.00	100.00	100.00	100.00
Total.....	100.00	100.00	100.00	100.00	100.00

SOURCE.—Decennial Census of Canada, 1931.

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